

MONTREAL
The Building of Place Ville Marie
and Its Effects on
Central City Development

by

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MAY 1978

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Submitted to the Department of Architecture and the
Department of Urban Studies and Planning in May 1978
in partial fulfillment of the requirements for the
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and Master of City Planning

Massachusetts Institute of Technology

ABSTRACT

The complexity of the urban environment has repeatedly evaded descriptions that attempt to encompass the range of that complexity. Transformations in that environment are themselves complex, and richly connected with myriad other events and influences all exerting various force, this way or that, toward continuing outcomes. It is to the understanding of a part of the richness of this process that this thesis is directed.

This is a case study of major and dramatic change in the structure of a city, and the forces which were incident upon the realization of that change. In considering the transformation which occurred in Montreal c. 1960, the thesis examines the parts played by major actors, their motives, and their relative influence on the process of change. The context against which these actors play their parts is delineated, and its effects examined. The thesis concludes that the part played by the unusual brilliance of one developer on the impact of the final outcome was crucial. Without the skill of this one actor, events would have been much different. It further concludes that the reorganization of Montreal by this developer and later public policy was one that very much facilitated the profitable expansion of finance capital.

Thesis Supervisor: Kevin A. Lynch, Professor of City Design.

FOR CINDY

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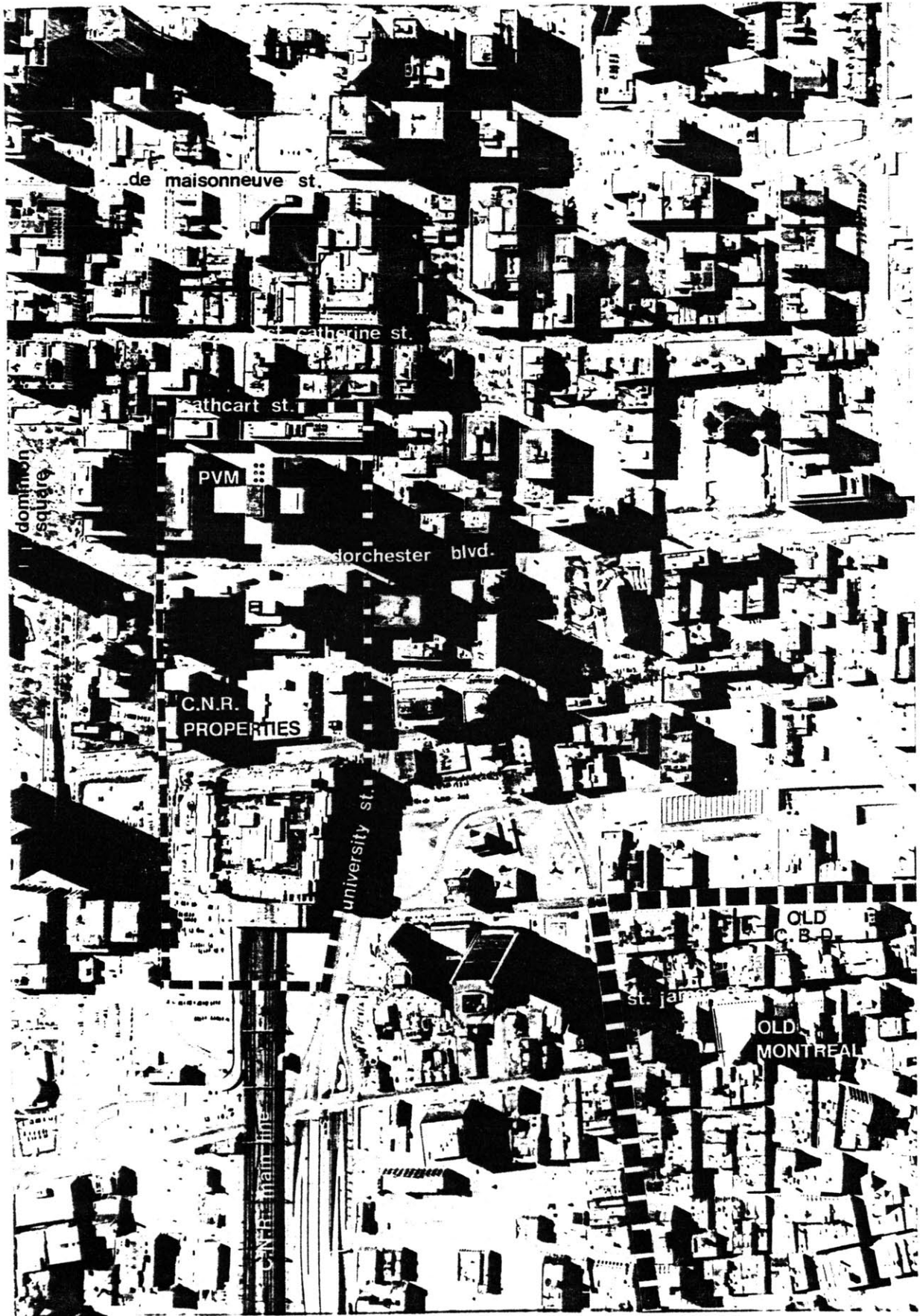
My appreciation is also extended to Debby Fagin whose considerable skill has made my scribbling much more than presentable.

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Finally and most important, I wish to thank my wife for what we have shared these past years, and for what we look forward to sharing in the future.



INTRODUCTION

The Intent and Structure of the Thesis

Montreal changed suddenly and dramatically in the early 1960's. In a very short time, the city developed a skyline of new aluminum, steel, and glass towers clustered within a short distance of one another. The pattern of the city was transformed. The new core marked the center of business activity, and the old financial center -- housed behind neo-classical masonry facades in Vieux Montreal -- faded from prominence. Montreal had come of age.

This thesis concerns itself with the forces that change cities, and how these work. The case study format is therefore used to learn what features of a fairly isolated event can be pointed to as being important to a result, and in what way these might be important. The event in this case study is isolated to the extent that it deals with the construction of a single building in a particular (short) period of time. The events leading to its construction are tracable. The circumstances surrounding the construction of this one building will serve, I believe, as a useful summary of the wider processes of change taking place at that time.

The thesis examines a physical result -- the Place Ville Marie complex |

in Montreal -- and explores the relationship between a social, political, and economic context and the tangible form of the outcome. The work is therefore structured in two parts. The first (Chapters One to Three) tells the story: the circumstances leading up to the decision to build the project, the process of realizing that project (both as a development effort and as a physical design), and a description of the short and longer range impacts the effort precipitated. The second part (Chapter Four) attempts to extract the important influences that were active in realizing the outcome as it now exists.

The limits of time and resources has necessarily circumscribed this study. The principle actor (William Zeckendorf), furthermore, passed away in 1976. Fortunately he has left behind an account of the Place Ville Marie project -- the one he considered his crowning achievement. This account has been heavily drawn upon here, and forms the core of the description of the events. It has been filled out, however, with the recollections of active participants at the time, as well as by data drawn from many other sources.

Notwithstanding the contributions of many people and these data, the author remains entirely responsible for factual accuracy, misinterpretations, and the views contained in the work.

I hope the effort is of some interest.

The City of Montreal:

Montreal is the largest city in Canada, although narrowly so ahead of Toronto. It is also the second-largest French-speaking city in the world. The dual nature of Montreal's history and of its people has played, and will continue to play, a crucial role in its growth. Place Ville Marie was no exception.

Montreal is located on an island near the confluence of the St. Lawrence and Ottawa Rivers. It is an old city by North American standards--first settled in 1642. For a long time, the city was to grow laterally along the river contained on the northwest by Mount Royal and on the southeast by the river itself. The city later grew to spread around the mountain; expanding both east and west, across the river to the southeast, and across the island to the northwest. The population grew from its initial fifty to the 2.7 million inhabitants of today. At the time we are considering here, the city had a population of 1.4 million.

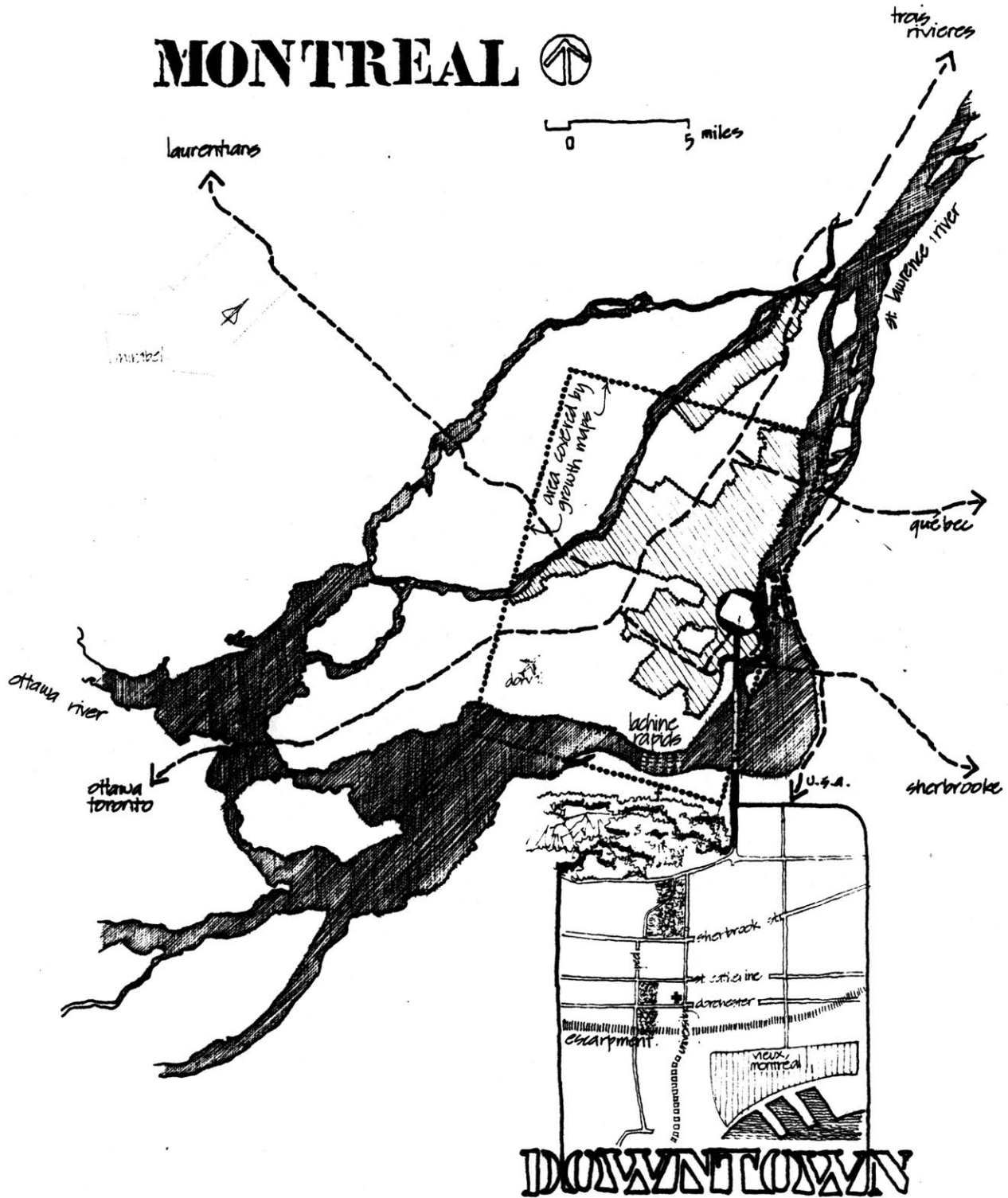
As we shall see, the city's economic importance arose by virtue of its position on the St. Lawrence River. The Lachine Rapids, just a short distance beyond the present center of Montreal, was a barrier to further inland navigation by ship. All further inland traffic must change its mode (to other types of craft, or other smaller ships) at Montreal.

The area the study will focus upon is the old city, Vieux Montreal, and an area slightly to the west. There is an escarpment following the line of La Gauchetiere Street that creates an upper city and a lower one.

MONTREAL

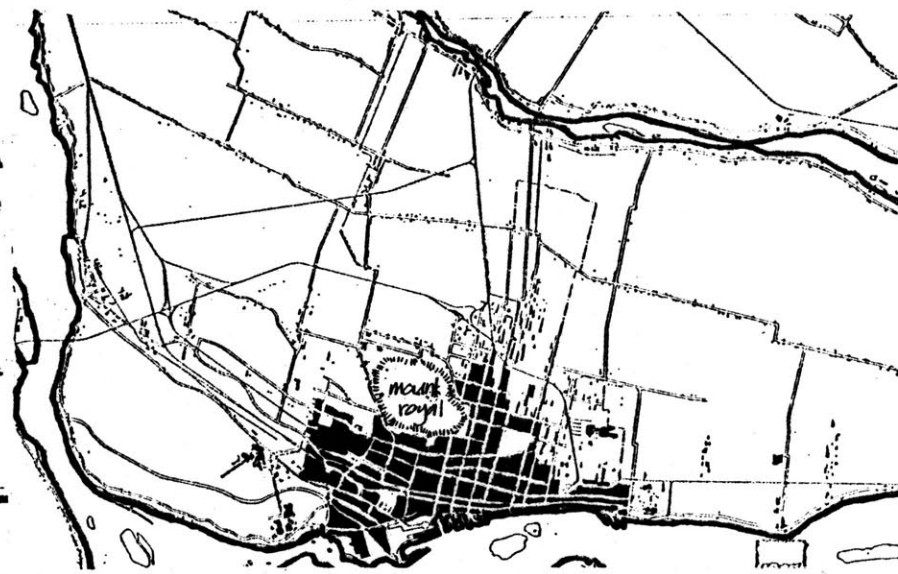


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1879



1907

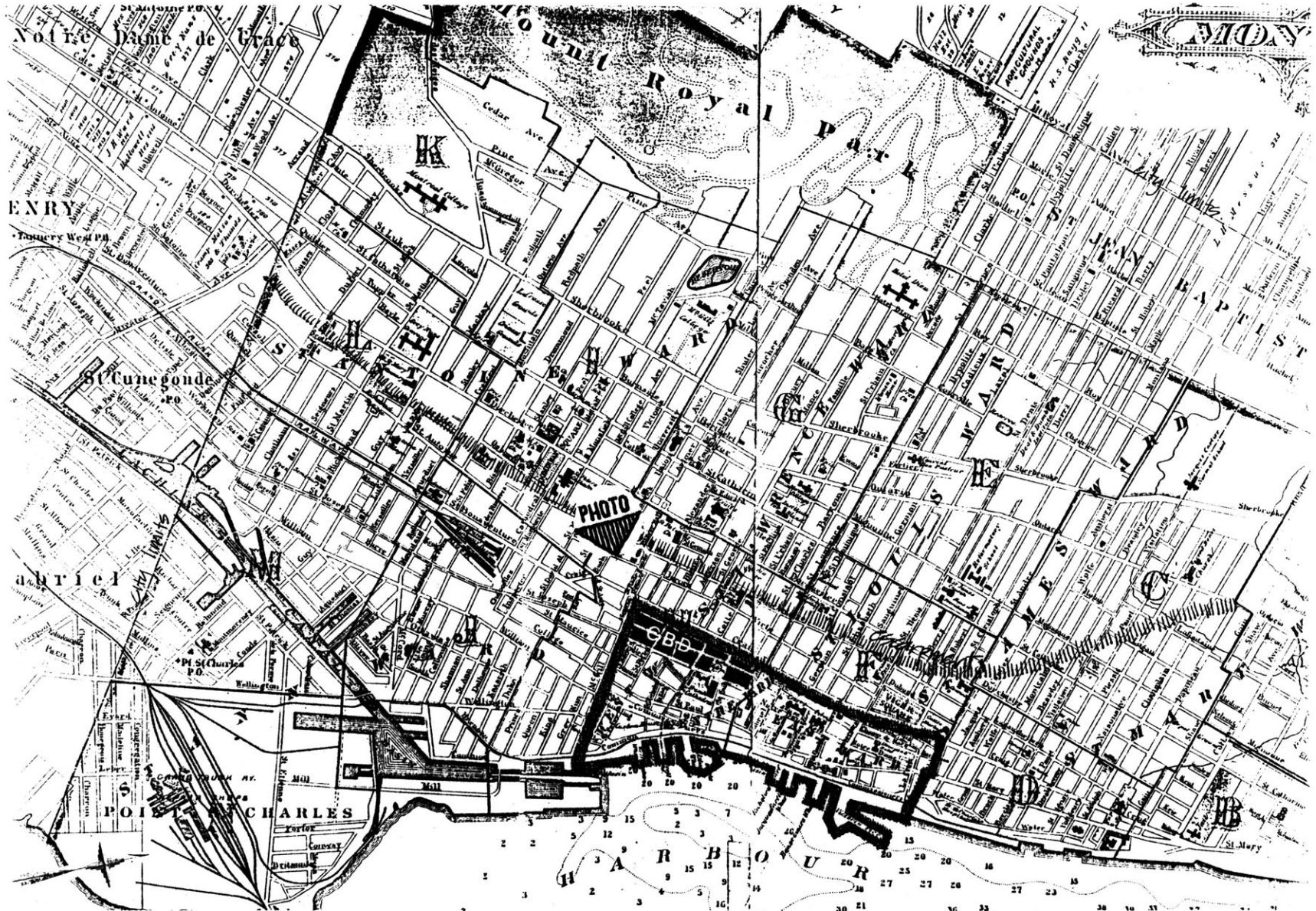
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1935



1954



"downtown" montreal · 1879



downtown montreal c. 1940 - looking southeast.

on photo

The point at which Place Ville Marie was built was upon the upper shelf -- on the plateau. Below was the lower land and Vieux Montreal, the outgrowth of the fortified town of Montreal. Above the plateau stands Mount Royal, now an urban park, and always an important geographical feature. These would all figure prominently in the transformations the city would undergo with Place Ville Marie.

CHAPTER ONE: THE BACKGROUND FOR CONTEMPORARY CHANGE

In Place Ville Marie, Montrealers witnessed a change most residents thought unlikely. Although economic conditions were considered good in the fifties, the central city was suffering. Downtown growth, a positive sign of health, favored Toronto, not Montreal. The roots of change often reach beyond the immediate situation, however. This new structure found its origins before the decade of its construction; beginning in a period in which the railways dominated the economy, and evidenced in the events that resulted in the Canadian National Railway.

The Canadian Northern Railway:

The railways were important to the growth of material wealth in North America since the mid-nineteenth century. The growing railway transportation network facilitated natural resource extraction and commodity production and distribution; shaping the pattern of western settlement, and reshaping the cities of the east. The locations of railway rights-of-way, freight, and passenger facilities were very carefully considered. The criteria were usually profitable operation and expansion.

Montreal's location was important to railway growth. The city had

become a major port connecting inland waterways to the sea. Ocean vessels could travel no further up the St. Lawrence River than the island of Montreal at the Lachine rapids. The traffic from the Great Lakes and other tributaries could travel no further downstream. The commerce of the European fur trade established this transfer point as a center of business. As the demand for furs waned, other commodities replaced them, particularly the staples of grain and lumber. The accessibility to such resources was, for all intents, infinitely expanded by the railways. Montreal's port served as a key link to European markets -- at that time the more profitable outlets. The connection was important because the alternative was to remain part of a restricted local economy and demand.

There were two large railway companies operating in the Montreal area after 1880: the Grand Trunk and the Canadian Pacific. The former operated primarily in the east with lines to New Brunswick and the eastern United States. The latter had been commissioned and chartered by the Federal Government (under prime minister John A. MacDonald) to construct a rail connection to British Columbia and the Pacific.

Canadian Pacific was the only transcontinental railway in Canada for many years. During that time, they enjoyed the benefits of their position. The right-of-way across the prairie was placed in the fertile southern belt, and government concessions allowed them to set unregulated freight rates. It was also given title to vast tracts of land on either side of the right-of-way. The company monopolized the profit of

western settlement and agricultural production; carrying passengers (usually European immigrants) to the farm settlements, and returning their production to the markets in the east and in Europe.

By the turn of the century, at least one group of enterprising entrepreneurs challenged Canadian Pacific's transcontinental monopoly. The basis of that challenge was a new agricultural development: a short season breed of wheat. This allowed cultivation in the less favorable climate of the northern prairies. Sir William MacKenzie and Sir Donald Mann undertook the dramatic expansion of their local Lake Manitoba Railway and Canal Company northwestward to the Pacific. Their ambitions were considerable; they soon completed their westward push, and thereafter turned their attention toward the east -- particularly to Montreal. There they would link with the eastern and European markets.

Montreal Facilities:

A passenger and freight terminal in Montreal was considered vital in an attempt to become a transcontinental competitor. The problem for MacKenzie and Mann was how best to enter Montreal to compete with two well established railways; both with good passenger and freight terminal locations. The available options were extremely limited. Both of the earlier railway companies located their passenger terminals as close to the downtown area as they could without encountering the high land values of that area. Canadian Pacific, for example, built stations both to the east and west of the downtown area. The Grand

Trunk had built theirs to the west. Canadian Pacific's Windsor Station particularly was felicitously located upon the lip of an escarpment that marked the edge of the English well-to-do residential area and promised to be, as development slowly drifted west, an area of considerable importance. Both companies were also well connected with the freight areas at the port and industrial belt adjacent to the river.

MacKenzie and Mann were widely known to be audacious railway men. There was vigorousness and daring in their westward expansion. There would have to be equal daring in their entry to Montreal. A preliminary survey of the problem showed little promise. "Coming from the west, the obvious route was either to make some arrangement with the Grand Trunk or to come in with an independent line between it and the C.P.R." ¹ The former was a distasteful alternative. Congestion on the Grand Trunk line would be increased, and the numerous level crossings on this route were already a source of friction with the city administration and local residents. The latter alternative involved massive expenditures and "destruction... of private property." ² The gain from either of these alternatives was questionable; H. K. Wicksteed, the Chief Engineer, expressed it as follows:

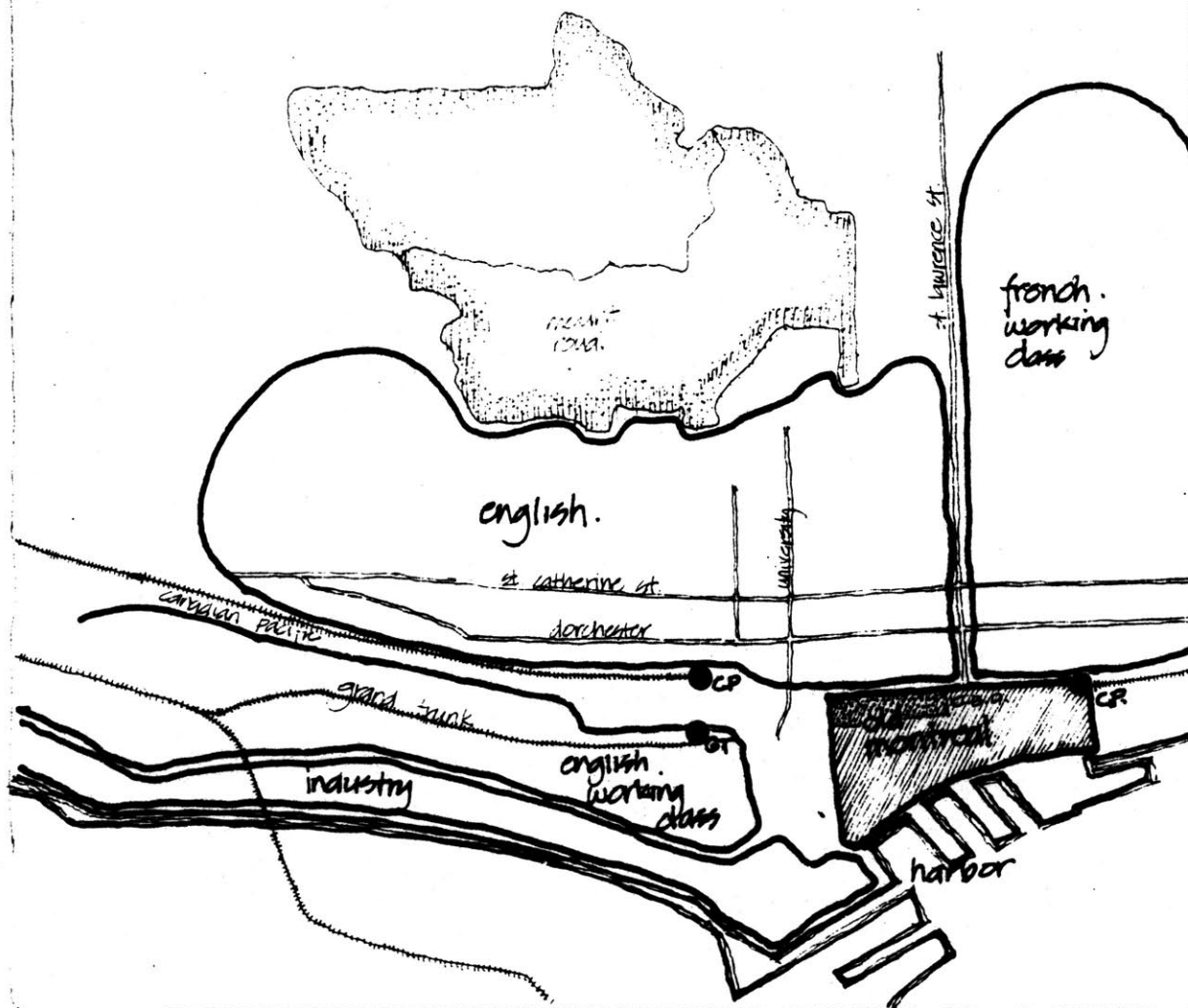
When completed, there would be only a passenger station in a good, but not exceptionally good, situation, and it would be for all time a "dead end" station similar to those already existing, and Quebec and other eastern or northern lines would be forced many miles off the direct route, or else have to leave as before from an independent station in the east end. ³

Wicksteed abandoned any proposal to approach Montreal from the southwest. He proposed instead an approach from the north coming around

prior to entry by
Canadian Northern Railway



farm
land

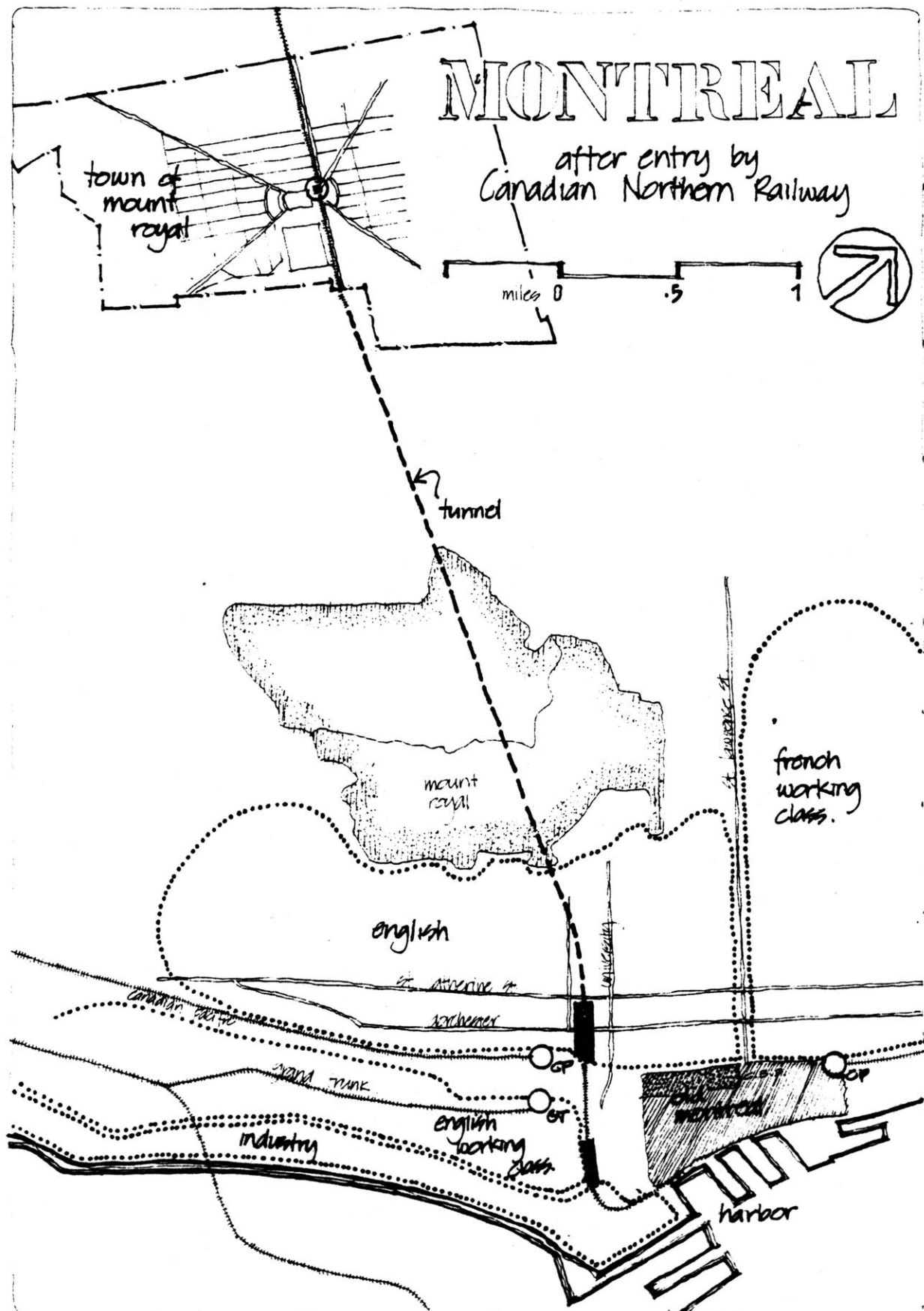


or through the barrier of Mount Royal, thereby making it possible to build terminal facilities not only close to downtown, but also between the French and English residential areas.

Freight was even more important. The two sources of freight traffic were the harbor and the industries flanking the Lachine canal. Positioning the passenger station too far east would cut off a through connection with the waterfront. Downtown Montreal lay in between just a few feet above the high water line. Any attempt to tunnel under, build over, or cut through this dense part of town was financial folly. Positioning the station too far west meant crossing the rights-of-way of the Grand Trunk and C.P. to achieve a through connection to the waterfront and industry.

The area between these two barriers, however, was a fuzzy one at best. It was an area of transitory uses and ill-established image. This area was a clear opportunity to link the passenger station (and the tunnel line to the north) to the waterfront, industry, and their freight traffic.

This suggested an optimal area for the station. The method of getting by the mountain remained to be resolved. Two alternatives were considered: a route flanking the mountain; and a tunnel directly through it. The first meant the purchase of a surface property, its excavation, and refilling after track and earthwork construction was complete. The experience in New York during the construction of their subway system suggested that "cut and cover" construction was extremely expensive, compared to tunneling in favorable ground. Wicksteed opted



MAP OF 1879 -- Henry W. Hopkins, Civil Engineer

MONTREAL

PARC ROYAL

PARC JACQUES-CARTIER

PARC ST-JEAN

RIVER ST. LAURENT

MOUNT ROYAL

J. B. LEBLANC

tunnel
 viaduct

1. Original Station Site
2. Final Station Site
3. Freight Yard Site

for this second alternative; avoiding higher costs and the necessity to purchase surface property.

The company then began to assemble land for this scheme. They required land for marshalling yards, maintenance shops, freight handling, and passenger facilities.

To obtain the necessary land and keep prices at a realistic level, the company engaged the services of a real estate agent, F.B. Shaw, of Carrick Limited. He succeeded in acquiring from James Mahar who had also planned to develop the area between Mount Royal and the Back River all his property options. Shaw and a team of notaries also succeeded in buying several farm tracts in the adjacent areas.⁴

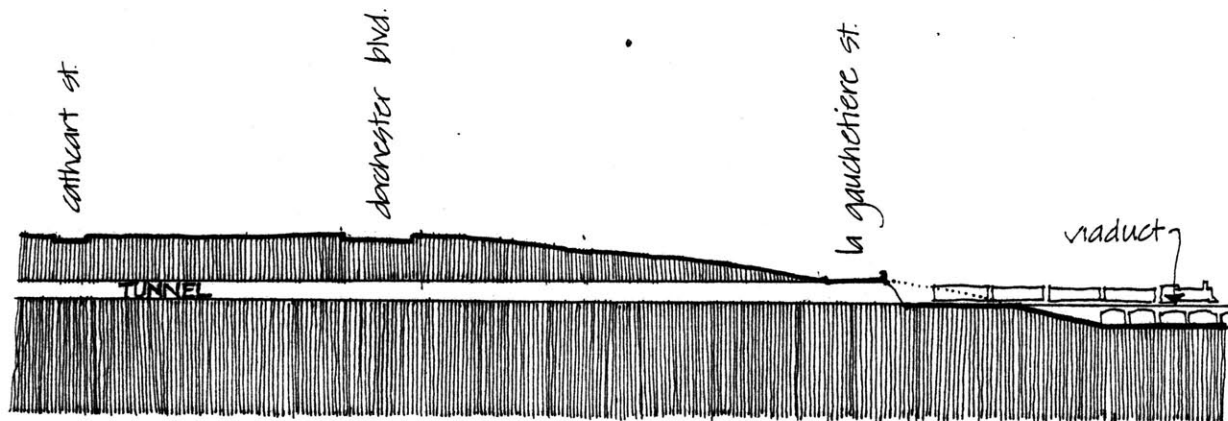
The company therefore succeeded in securing an enormous quantity of land north of the city. They owned much more than they needed. Some of the additional land was used for speculative development. The "model city" garden suburb of Town of Mount Royal was initiated around the railway line as it emerged from the north side of the mountain.

These initial acquisitions were only the first steps. This real estate activity did not escape the acuity of local entrepreneurs. Any attempt to use Shaw to buy land within the city was far too risky. The company therefore commissioned different agents to attempt to assemble land between City Councillors, Alymer, Sherbrooke, and St. Catherine Streets. News of impending transactions leaked out, however, and that location was abandoned as speculative activity snowballed.

The company found another area between Cathcart LaGauchetiere, Mansfield, and St. Monique Streets just as suitable. Great caution was

exercised with this attempt, however "several agents were jointly employed and their operations so diffuse and widespread... "⁵ that they managed to assemble the necessary land without arousing any suspicion or further speculation.

Freight facilities were neatly integrated into the plan by taking advantage of the terminal site's topography with respect to that fuzzy zone leading to the waterfront. If the tracks were continued at the same elevation through the Mount Royal tunnel to the new terminal, they "came out into daylight at LaGauchetiere Street and high enough to clear the streets on the lower level, while the land ran almost



schematic profile - looking east.

without a curve into the most desirable perhaps of any individual district for a freight terminal in the city,..."⁶ Twenty thousand square feet of land was purchased at the base of this alignment and between the port and industrial area to serve as the Canadian Northern freight yards.

Formation of the Canadian National System:

William MacKenzie and Donald Mann announced their intentions to the Montreal public on 9 January 1912. They described their dramatic tunnel entry to the city, their right-of-way extending from north of the mountain to the river, their large marshalling yards to the west of the city, the "Model City" at the northern exit of the tunnel that was to become "a beautiful suburb of greater Montreal..."⁷ (and, it was hoped, provide profit enough to more than pay the cost of the entire development!), and finally their intention to move their head offices from Toronto to the new terminal station complex in Montreal. Construction began soon after.

The tunnel and terminal station were completed in April of 1917. The anticipated growth of immigration -- the fundamental reason for speculative expansion -- never materialized however. The war in Europe reduced it to a trickle. The growth in the west and the economic gain this meant was seriously compromised. Based as it was on the anticipation of this growth, so too was the financial stability of the Canadian Northern. The war also diverted a great part of the urban labor force to war production leaving few, at a high price, for railway construction. Concurrently, an influenza epidemic kept ridership on the new system to a minimum. The railway was now floundering.

The hardship was widespread. Many railway companies found themselves in a similar situation -- particularly the smaller ones. But even the Grand Trunk Railway was in trouble. It abandoned its own western expansion effort -- the Grand Trunk Pacific -- to government receivership.

The parent line similarly succumbed to its difficult financial situation a short time later.

The vigorous expansion and spending of the Canadian Northern to compete transcontinentally and in Montreal was ill-timed. The federal government absorbed the bankrupt lines one-by-one in order to maintain their services; acquiring the Canadian Northern on 16 November 1917. Finally, an Act of Parliament incorporated the growing government railway lines as the Canadian National Railway Company in 1919. The Grand Trunk joined the growing list on 1 May 1920.

Later Attempts at Development:

The new railway company inherited a great deal in Montreal. It now owned the Grand Trunk's Bonaventure Station a block south of Canadian Pacific's Windsor Station, their extensive freight and marshalling facilities, as well as the Victoria Bridge. The Canadian Northern contributed its superbly located tunnel terminal and extensive land holdings.

The government persuaded Sir Henry Worth Thornton -- an American railway man from Pennsylvania, and the first American to run a British railway system (the great Eastern Railway in England) -- to assume the presidency of the new company in January 1923. Thornton was immediately consumed by the business of organizing a railway that was inefficient owing to extensive duplication of formerly competitive lines. Part of that reorganization involved the Montreal tunnel terminal. His intention was to unify all rail traffic in the city into a single

"Central Station" at this location. He viewed this proposed central terminal as a great and important complex for both the railway and the city. He was not without precedent. Thornton was well aware of the situation of Grand Central Station in New York.⁸ This great station catalysed growth around it, and took advantage of this by building over tracks in such a way that rail traffic continued beneath. These "air rights" developments were of considerable interest. Thornton evidently considered the Montreal terminal site an opportunity to achieve a similar result.

The Canadian Pacific Railway did not approve of the proposed combined facilities. They argued that similar facilities could be developed at Windsor Station with considerable savings. In an effort to resolve the issues, the federal government commissioned an independent railway consultant from London -- Sir Frederick Palmer -- to examine and evaluate rail transportation facilities and operations in Montreal, and recommend methods for their improvement. The study endorsed the concept of integrating the stations of both railways on Canadian National's tunnel terminal site. The report generated some controversy, however. Yet another report was commissioned, this time by private interests, which dismissed Palmer's findings. Through all this, Canadian Pacific remained adamantly opposed to this plan for a combined station. Thornton finally proceeded with a proposal for a complex that would be Canadian National's terminal and head office quarters solely.

The proposal considerably extended the original site of the Canadian Northern terminal. The Canadian Railway and Marine World



cn.r. "hde" c. 1930 : view from the northwest.

cn photo

described the area expropriated for the new terminal proposal in November of 1927:

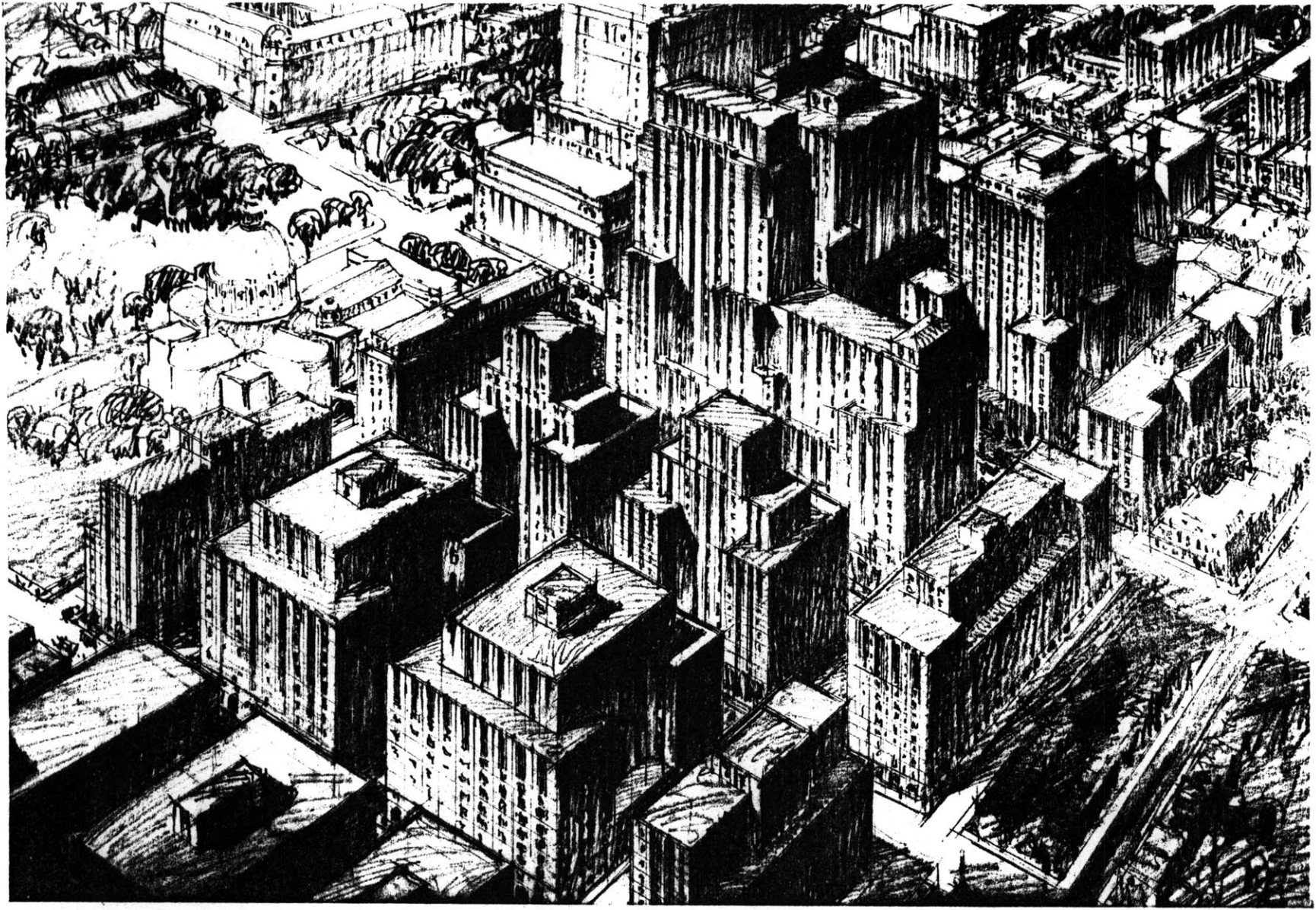
Many well-known buildings are within the area expropriated. The Church of St. Andrew and St. Paul, at the corner of Dorchester and St. Monique Streets, all of the buildings fronting on Belmont Park, such as the Royal Edward Institute, the Irish Protestant Benevolent Society Home and Andrew's Home; St. Patrick's Academy at the corner of LaGauchetiere and Ste. Genevieve Streets, are some of these edifices. Belmont Park itself is wholly affected; St. Monique Street, too, is covered.

A federal committee studied the proposal and recommended the approval of the 50 million dollar expenditure for the project. Thornton was given permission to proceed with construction in 1929.

Construction began with the excavation of expropriated lands and the building of a viaduct along the path of Dorchester Street that spanned the hole that was opened up. Not very much more was to happen. All work was ordered stopped on October 4, 1931 as the wavefront of financial disaster spread beyond its epicenter on New York's Wall Street.

All was not well with the railway even before the devastating collapse in New York. Thornton was testifying before a Royal Commission into railway operations in 1931. Both Canadian National and Canadian Pacific were losing money. The controversy focused on the competition between these companies and the duplications of facilities this encouraged. The logic of Thornton's grand plan in Montreal seemed questionable. Again, he argued for a joint facility along the lines of his original proposal:

Terminal facilities are the most expensive luxuries on which railways are compelled to embark. My own feelings as a professional transportation man is this, that wherever terminal facilities can be made joint, money is saved by the railways and



sketch of Thornton's scheme for the site by architect Hugh Jones.

on photo

greater convenience furnished to the public....¹⁰

Thornton's plan ended here. The depression decisively buried it. Thornton was finally forced to resign as the argument in the Royal Commission continued.

* * * *

A much more modest version of Thornton's plan reappeared in 1938 as a make-work project initiated by the federal government to liven the depressed economy in Montreal. The public relations statements pointed out that the Central Station building (completed in 1943) was the first step in the development of the area. A hotel and office quarters (for Canadian National and others) were expected to follow. The station remained unaccompanied for almost twelve years however. Meanwhile Montrealers lived with the enormous excavation filled with railway tracks in the center of what was quickly becoming a major commercial area.

Visions of a scheme like that originally intended by Thornton and again proposed in 1943 (with the opening of Central Station) seemed to be reawakened in the mid-fifties. In 1959 Canadian National finally built a hotel north of the station concourse, and the International Civil Aviation Organization had earlier erected a building on the eastern edge of the site in 1951. The next project to be built, however, radically changed the form of those visions beyond anything previously conceived.



26

air rights development: view of site from the southeast. (Queen Elizabeth Hotel is most prominent)

on photo.

NOTES

1. Wicksteed, H.K., C.N.R. Encyclopedia, Vol. VII, (1918 Edition), January, 1917, p. 12.
2. *ibid.*, p. 13.
3. *ibid.*
4. Knott, Leonard L., La Place, Montreal: Roy, Clark, Stone, Benallack Ltd., 1962, p. 25.
5. *ibid.*, p. 27.
6. Wicksteed, p. 15.
7. Knott, p. 27.
8. Thornton's awareness of the objectives and details of the Grand Central station complex was more than professional. His second wife, Martha Watriss, was the step-daughter of Charles Wetmore -- one of the two architects responsible for the design of that station.
9. Canadian Railway and Marine World, "New Terminals in Montreal for Canadian National Railway," November 1927 issue, p. 629.
10. Thornton, Sir Henry W. in Proceeds of the Royal Commission Inquiry Vol. II, 1931-32, p. 735-36.

CHAPTER TWO: BUILDING PLACE VILLE MARIE

Determining the Developer:

A major department store in this area of Montreal -- the Robert Simpson Company -- was adversely affected by a lack of parking space. Suburban shopping centers and their better accessibility by automobile were the source of major competition with the central city stores. Adequate parking facilities downtown was an increasingly troublesome issue.

Both of Simpson's major competitors -- Morgans' and Eaton's -- seemed geographically better capable of solving their problem. James Bryant was therefore dispatched by the general manager, A.H. Lofft, to find some solution to the store's parking space troubles. Mr. Bryant examined alternative parking garage designs and inspected nearby sites that could be cleared in order to build a garage. He recounts that he was in the habit of walking by the Canadian National excavation on his way to and from Central Station as he commuted from his home in the Town of Mount Royal.

One day, as I walked passed the excavation, I was dazzled by the obvious: all we had to do to have the best department store parking garage in North America was to fill in the hole with layers of parking decks.¹

According to Bryant, it was at this point that the name of William

Zeckendorf came up. Lofft had been familiar with recent business literature which extensively covered the activities of this entrepreneur and his real estate development company of Webb and Knapp in American urban renewal programs. Lofft suggested that perhaps a parking garage and other facilities "was a project for Mr. Zeckendorf ..." ² Lofft then called Zeckendorf to arrange a meeting in New York for the next day. Zeckendorf was "indeed interested in the 'hole' -..." ³ He asked Lofft to attempt to organize a meeting that would include E.G. Burton, president of Simpson's, and Donald Gordon, president of Canadian National.

This is not the version of the story Zeckendorf recounts. He remembered his first contact from Montreal to be Senator Thomas Viene and real estate agent Rudolf Lemire.

My guests had with them a map showing the holdings of the Canadian National Railways (CNR) in Montreal. They suggested that we acquire the lease and build up those twenty-two acres of downtown land. ⁴

To prove his point about Lofft's initial contact, Bryant consulted Canadian National files. In a memo from Donald Gordon dated 22 October 1953, there was a reference to a talk he had with E.G. Burton concerning a parking garage. In the corner of another memo dated 26 October 1955 which summarized a meeting with Burton and Lofft, Gordon scribbled a note to the effect that these men wanted him to contact William Zeckendorf.

It is not unlikely that Zeckendorf was contacted by both these groups. The conclusion to be drawn from this is the growing interest in Canadian National's open land. The highly visible activities of U.S. urban revitalization was a model of considerable interest to the business community at least.

Whether Lofft or Viene and Lemire were the instruments of the first meeting is unimportant. Zeckendorf decided to fly to Montreal with his son to survey the situation himself and "meet this fellow Gordon ..." ⁵ Zeckendorf's account of the meeting and his subsequent proposal of a Master Plan for Canadian National's land makes the process seem quick and straight to the point. Bryant presents some evidence that the deliberations on the Webb and Knapp appointment by Gordon were more lengthy; possible spanning more than a year:

A final memo from Mr. Gordon addressed "Note for file" dated December 7, 1955, includes "Since my luncheon of October 26 with Mr. Burton the question of the Webb and Knapp appointment has not progressed very far." ⁶

The first contact between Lofft and Zeckendorf took place "as early as the fall of 1953 and no later than April 1954 ..." ⁷ Bryant contended. Serious deliberations on development continued from that time culminating in Zeckendorf's commitment for a 250,000 dollar master planning proposal, undertaken at his own cost, for Canadian National in late 1955. He offered the proposal with no strings attached. If the railway approved of the proposal, they would then proceed with an outlining of obligations and costs -- the detailed contents of the "deal" between Webb and Knapp and Canadian National.

Through early 1956 Gordon and I held a series of meetings to hammer out just how we would work with one another on the project .. Normally such agreements are long and involved treatises which lawyers concoct with legal language which consumes page after page, but by now Gordon and I trusted each other so fully that what we produced was a concise two-page affair in simple English. ⁸

The agreement was certainly not an off-hand affair. The objectives of Donald Gordon and Canadian National were clear: to make money on an

increasingly important and valuable piece of land. Gordon understood the revenue potential of putting surplus land to profitable use. The partnership of landowner and building developer was a logical one. Canadian National was primarily a transportation corporation with government defined limits on their operating domain. They were not directly in the business of land development, at least not in the form suggested here. The motivation was succinctly described by Gordon:

This approach seemed realistic because in many cities across Canada we owned strategically located property from the point of view of business and commercial, as well as industrial, development.⁹

CN would, of course, let their land only with provision of a very healthy financial stake in the outcome of any venture. Gordon goes on to outline Canadian National's terms of agreement with Zeckendorf (and, later, with other developers).

1. Basic or ground rent based on either:

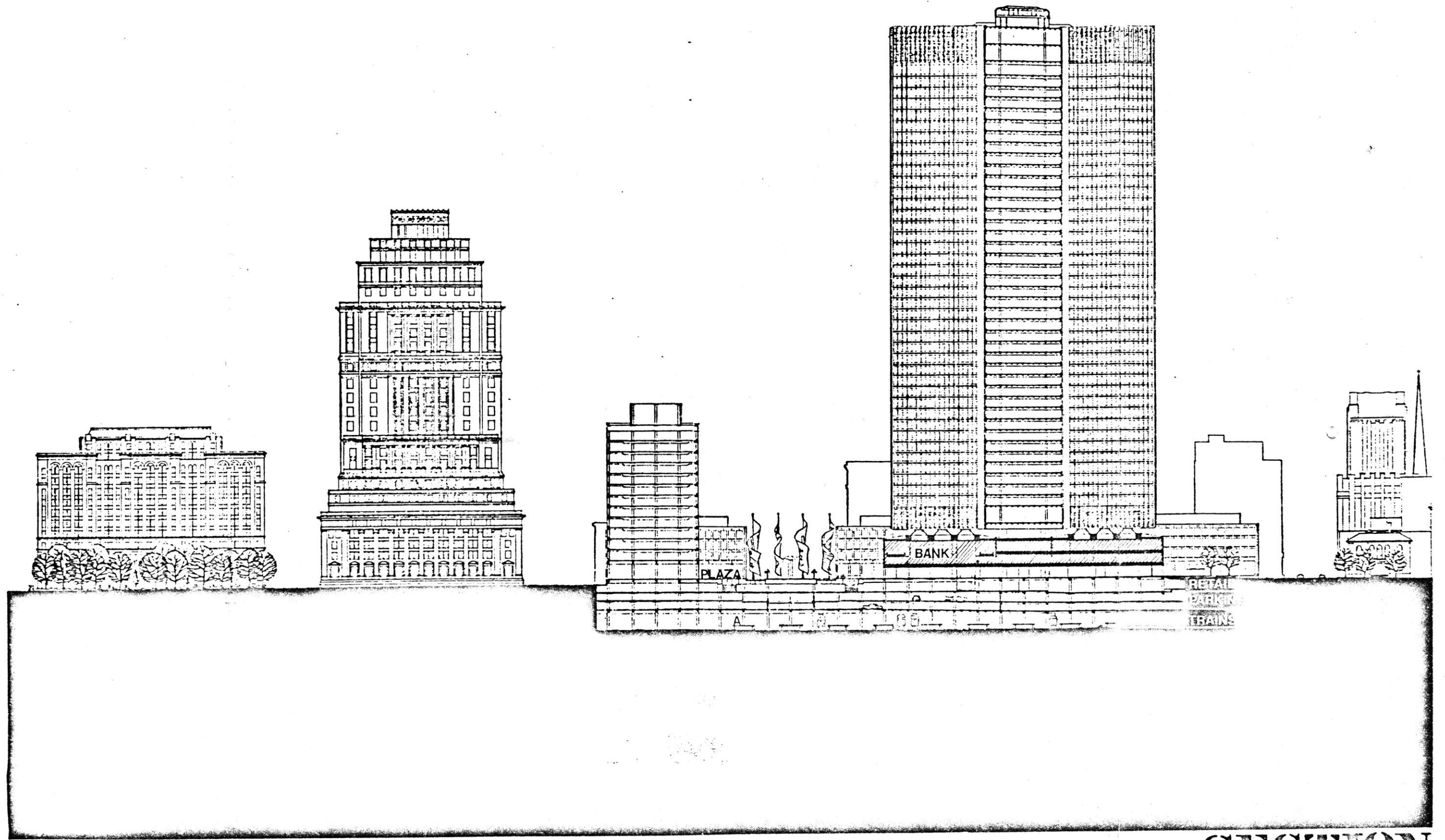
- a) A percentage of the municipal assessment, or the market value, of the property under lease, or
- b) A percentage of the gross receipts accruing to the developer, with a minimum based on an appropriate percentage of the market value ...

2. Supplementary Rent based on either:

- a) A percentage of the net profit from the undertaking, or
- b) A percentage of the gross receipts above certain predetermined levels.

3. Full reversionary rights, whereby all buildings, structures and improvements on the premises upon the expiration of the lease, revert to the railway.¹⁰

Zeckendorf commissioned I.M. Pei and Partners of New York to begin studies of the site and prepare the Master Plan for presentation to Canadian National.



PVM

SECTION

Development of a Scheme:

Although the entire twenty-two acre site was the object of the Master Plan, the area above Dorchester Boulevard and below Cathcart Street was the most important for Zeckendorf -- an area of about seven acres. Henry N. Cobb, the architect in charge of the project, was given no directions. His original sketches reflected an attitude of accruing development, two towers and a host of lower buildings that could be constructed in stages according to the financial success of the initial stage. But in this project "Zeckendorf's imagination was more important than mine," said Cobb.¹¹ The attitude to the project was determined during a flight (over Montreal) in Zeckendorf's DC-3. He studied the site as the airplane circled over the city.

As I began to sense what was missing, I said "Henry, I want to tell you something ... you don't make 'melly' out of a blue white diamond." The minute I explained that "melly" are merely the bits and chips left over when a great diamond has been cut, he saw what I meant.¹²

His instructions to Cobb became more explicit. "I want one building which will contain at least 35,000 square feet per floor and 1.5 million square feet all-together, and it must give identity to more than one major tenant."¹³ The cruciform plan of the tower was the response to this direction. It allowed up to four major tenants to achieve some separate identity essentially due to four distinct lobby areas sharing the central elevator core (the offices of one group were not organized into single wings; i.e., each wing identified with a single tenant, as the shape might imply). This tower was placed on a podium which spanned the existing excavation. The podium contained two parking decks and

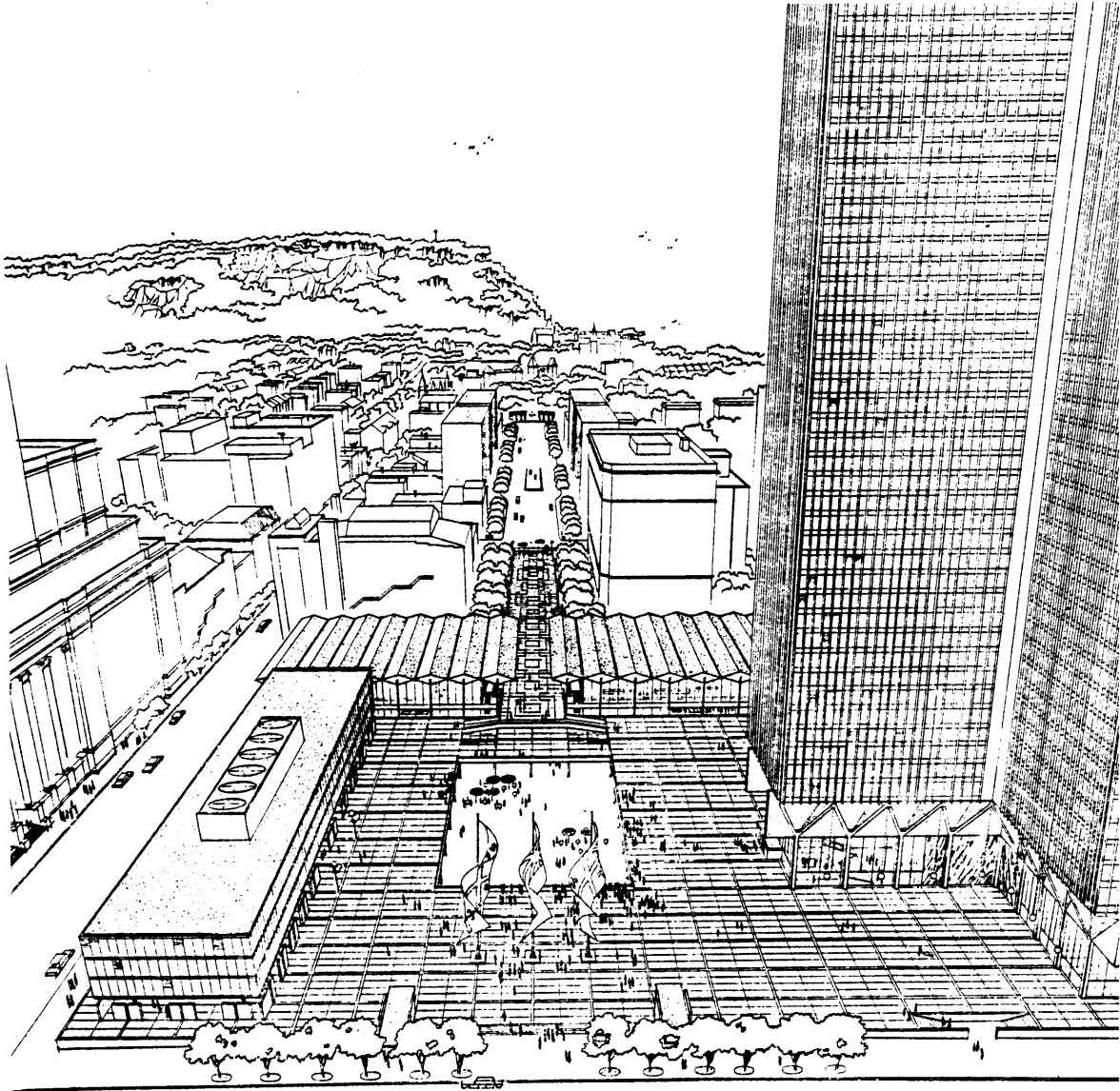
a retail level. The topography of the site allowed the retail level to be reached directly off Cathcart Street (at the same level), while the plaza level (the top surface of the podium) flanked Dorchester Boulevard just a few stairs different in elevation. Cobb described the plaza as a "great plain at the level of Dorchester."¹⁴ Cobb positioned low pavilion-like buildings at the perimeter of the podium. The low buildings accentuated the tower and provided exhibition-type space in this original scheme.

The architects were uncertain of the potential for retail space in the project. Larry Smith, a prominent market consultant, was commissioned to study the potential for retail in such a complex. The report concluded that only marginal retail seemed possible. According to Cobb, Zeckendorf picked up the report from his desk when it arrived, read it, and promptly disposed of it in his waste paper basket. He instructed Cobb to cram every square foot of retail space under the plaza that he could.

The Master Plan was developed "to unify rail, air, bus, and automobile facilities in one central location ..."¹⁵ Aside from the cruciform tower and its adjacent buildings there was a parking structure for the railway station, and a "trade mart." There was also a heliport for "rapid access between outlying airports and the downtown area ..."¹⁶

Gordon was impressed with the plan, and the proposal was made to the board of directors of Canadian National in September of 1957. The plan and lease agreement was approved by the federal government in December of the same year. Zeckendorf now had his lease, and a plan. He now meant to implement it. It would cost an estimated one hundred million dollars.

preliminary scheme



View looking toward McGill University and Mount Royal

Financial Manowners:

The project had now become a real one for Zeckendorf. Webb and Knapp (Canada) Limited was formed to carry out the project. On the advice of John McCloy, then chairman of the Chase Manhattan Bank, Zeckendorf established credit relations with the Royal Bank of Canada, the largest bank in Canada at that time.

The real estate activity of Webb and Knapp (Canada) Limited began with the purchase of the Dominion Square Building which was one block west of the project site. The financial backing for the purchase was arranged through the Royal Bank. The building was to serve as the project headquarters.

In the meantime, armed with our basic agreement with Gordon, we set out to lay a monetary base for our new Canadian company. Graham Mattison, a lawyer and driving force in the New York investment firm of Dominick and Dominick, handled this job. His company, which had a strong branch office in Montreal, created a consortium of Canadian merchant banks to underwrite a package of bonds, convertible debentures, and common stocks, most of which Mattison was able to place through banking connections in Switzerland. This issue brought in some twenty-five million dollars which almost immediately began bearing interest at 5 ½ percent. ¹⁷

In order to generate some income in Canada, Webb and Knapp arranged numerous interim investment projects to keep the capital in circulation. The first of these was the purchase of 277 gas stations all belonging to the Belgian based petroleum refining company: Canadian Petrofina Limited, to whom they, in turn, leased them "for ten percent, which, right away, gave us one million dollars against our investment payments..."¹⁸

The gas stations were sold one-by-one as more capital was required for the project. Similar activities spanned the country. For example,

regional suburban shopping centers were built in London, Ontario and Vancouver, British Columbia that would help finance the Montreal effort.

Zeckendorf's immediate problem was to secure lease commitments for space in the project. A brochure was prepared using photographs of the model that was built for the presentation to Canadian National. Zeckendorf then approached prospective consumers of the space: major corporations, insurance companies, and so on. The reception was cool. Architect Henry Cobb, who accompanied Zeckendorf to all his meetings, remembered the meeting with Canadian Industries Limited to be a particularly gruesome one. Zeckendorf considered the "freeze" a result of both anti-Americanism and anti-Semitism. His style and project, he also contended, "threatened the stuffily stable state of affairs down at St. James Street ..." ¹⁹ He believed the business community feared having their "dark panelled offices made obsolete," as well as the "dangerously radical" shift of the major office quarters from St. James Street. ²⁰ Meanwhile he had let foundation and excavation contracts amounting to five million dollars.

Zeckendorf was certain that internal power games and politics among the corporations stood in the way of his making any progress with the lease commitments. He called it "a cold Canadian front," and summarized the problem to his son:

"...you know why we are not getting anywhere with this damn thing (he quotes himself as saying)? Because we are tied in with a powerhouse like Jim Muir (president of his chief creditor the Royal Bank). His enemies are not going to take a lease in there. And we haven't gotten anywhere with his friends because they don't believe we are going to build. There is a lot of prejudice and antipathy in Montreal.

They don't want Americans, and especially an American Jew (myself) with a Chinese (Pei) for his top architect. These guys are provincial as hell ..." 21

Finally Zeckendorf called his secretary into his office to dictate a letter. He held out one of the brochures Webb and Knapp had prepared and said "Take a letter: Dear Jim (Muir), here's a picture of your new building." 22 Muir was astonished. He reminded Zeckendorf that they already occupied the biggest bank building in Canada. He suggested that perhaps it was that "goddamn Chinaman" (Pei) that was discouraging prospective tenants. Zeckendorf argued that it was Muir who was discouraging perspective tenants. He wanted him to move. Muir retorted "You're mad." But Zeckendorf appealed to his corporate vanity: "You will be king of the hill ... the business will come to you ...," 23 and he also offered to buy the old building. Muir finally agreed that at least he would await the result of a short study of the proposal. So while Muir made a business trip to London, Zeckendorf's staff and some members of the staff of the Royal Bank prepared a study.

The report (of course) endorsed the scheme. Muir finally agreed to move the bank, but he wanted several concessions in return for the bank's tenancy. Zeckendorf had already promised to name the tower the Royal Bank of Canada Building, but Muir wanted a great banking hall at the base of the tower:

This deistic design style has begun to fade in the United States, but in Canada no self-respecting bank would ever move into a building that did not boast a great cathedral of a banking hall... 24

Although Zeckendorf does not mention the fact, Muir also insisted that the bank acquire the reversionary rights of the lease for the tower

from Canadian National. That was the object of some sensitive negotiation with Donald Gordon. An agreement was reached, however, the bank acquiring the rights for approximately two million dollars .²⁵

Thus, Zeckendorf finally broke that "cold Canadian front" in the early part of 1958. Cobb was convinced that Muir's agreement to move was more a result of Zeckendorf's personal flair -- his audacity. "That's what got to Muir: the guts," he remarked.²⁶ The architects set to work revising the design to accomodate the bank.

* * * *

The financial strategy for this project began to take tangible form. The Royal Bank lease represented an income stream of 2.6 million dollars annually. Zeckendorf now had some leverage with which to search out additional sources of capital. He approached the Metropolitan Life Assurance Company to recure a loan of seventy-five million dollars. His contact in this company was Fred Ecker with whom he had an off-the-cuff understanding of his possible interest in financing Webb and Knapp's ventures in Canada. Zeckendorf announced the committment the Royal Bank had made to occupy seven floors, and he now wanted seventy-five million dollars to build Place Ville Marie. Ecker told him he would lend only fifty million, and thus would require another important tenant to commit to a lease in the building.

Zeckendorf then contacted Aluminium Limited. The company was at the time considering the construction of a building to serve as their head

office. Zeckendorf "romanced" them for weeks at one point telling the company president: "I'd hate to have to put a bronze curtain wall on this building." ²⁷ He suggested instead that this building would be "the greatest showcase for aluminum in all the history of Canada..." ²⁸ By September of 1958, Aluminium Limited (now Alcan) was signed for space in the Royal Building adding another two million dollars annually to the developers income stream. The Montreal Trust Company and Air Canada signed for space in the building shortly after; adding another 1.5 million dollars to the anticipated annual revenue.

Metropolitan Life agreed to provide the mortgage financing with the commitment of these additional tenants. Once this agreement had been reached, Zeckendorf needed to procure money for immediate construction financing. The money was provided by a group of U.S. Banks on the basis of the mortgage arrangement between Zeckendorf and Metropolitan Life. The group was extensive; including Morgan Guaranty Trust Company, the Chase Manhattan Bank, and the Chemical Bank New York Trust Company (all of New York City); the Northern Trust Company (of Chicago); the Marine Trust Company (of Buffalo); the Cleveland Trust Company, and the State Street Bank and Trust Company (of Boston). ²⁹

Twenty-five million dollars still remained to be raised. While efforts were made to locate possible sources for this capital, Zeckendorf let the construction contracts, and Place Ville Marie began to rise from the excavation and foundations that had been prepared.

The source of additional capital took approximately two years to finally settle. During that time, Zeckendorf was forced to arrange interim

financing "at a walloping interest rate, because it would be far less costly to keep the project going, even at high interest rates, than to temporarily close it down ..."³⁰

The search for additional capital took William Zeckendorf, Jr. to England. He had originally met a London financier by the name of Jack Cotton in Nassau to discuss the deal. The agreement, however, was "contingent upon the Bank of England's approving this outflow of cash from Britain ..." ³¹ Another one of Zeckendorf Jr.'s contacts was Sir Kenneth Keith of the London based bank of Phillip, Hill, Higginson, and Erlander. Should Cotton fail in his effort to get approval, this group might have better luck. The Bank of England, as it turned out, did refuse Jack Cotton's request, but Keith's backing of the project was allowed to proceed. It remains totally unclear why Cotton's request was refused. The bankers insisted: "We were able to phrase our application correctly. Mayby Cotton didn't try hard enough." ³²

Negotiations with the London investors took several months. The deal resulted in the formation of a new company made up of the participating interests. "Trizec," the new name of the company, thus consisted of Webb and Knapp (Canada) Limited, ³³ and the two British investors (for which Sir Kenneth Keith acted as financial consultant): Eagle Star Insurance Company, and Covent Garden Property Company Limited. Eagle Star, it should be noted, owned controlling interests in Covent Garden Property.

During the period of negotiation, a structural problem arose in the design of the cruciform tower. Computer analysis revealed a tendency for

the cruciform shape to induce a pin-wheel motion of the building about its center during high wind loading conditions. The structural steel framing design of I.M. Pei's consultants failed to account for it, argued the Canadian engineers. These engineers were associated with the steel supplier, and as a result Zeckendorf was convinced this "problem" was nothing more than an endemic conservatism in Canadian engineering practice. It was also self-serving from his point of view. The steel company's chief aim, after all, was to sell steel, he argued. The additional steel bracing would add five million dollars to the cost of the structure. This was a considerable gap in the financing, and that gap was filled by the British investors in Trizec:

Our partners ... arranged to supply more capital, and credit for capital loans, in exchange for a proportionally greater interest in Trizec, with Webb and Knapp holding the option of reacquiring its percentage of the ownership in the project upon repayment of the loans and interest. ²⁴

The British group thus held controlling interests in the ownership of Place Ville Marie before its completion in 1962. Shortly after completion of the project, Webb and Knapp of New York was forced to declare bankruptcy after apparently overextending themselves in their U.S. operations. Trizec remained, but it was now controlled almost exclusively by Eagle Star.

Metropolitan Life issued its mortgage for Place Ville Marie late in 1962. The interim financing was therefore retired at that time. Shortly afterward, a company called English Property Corporation bought control of Trizec. Although this might have seemed to be a full change in management; it was, in fact, an "all-in-the family transaction..." ³⁵

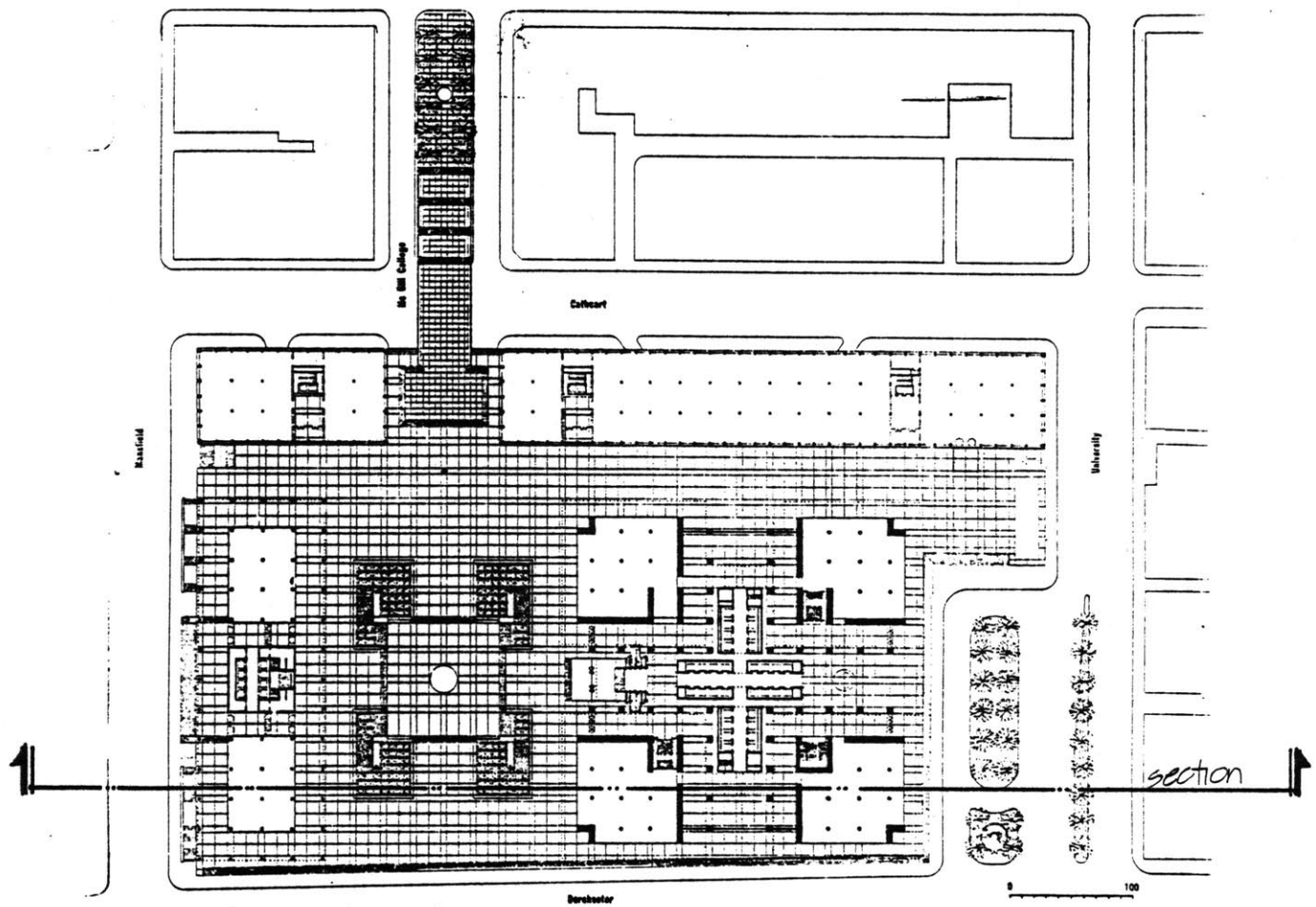
Eagle Star actually owned 22 percent of English Property, and were thus their biggest shareholder. Henry Aubin's research into the financial foundations of Eagle Star revealed the insurance company to be "an associate of one of the true colossi of global resource development, the Anglo American Corporation of South African Limited, of Johannesburg..."³⁶

The Anglo American group -- control of which is in the hands of a very few "discrete" international money-men -- had combined "operating assets in 1973 of over \$6 billion, enough to place it among the top couple of dozen corporate groups in the world, at least ..." ³⁷

This was the result of the younger Zeckendorf's search for additional capital to finance his father's project in Montreal. This was also to become a pattern of development financing for other projects in the city after the building of Place Ville Marie.

The Final Scheme:

The signing of the Royal Bank for space in the project considerably altered the scheme. The requirement for a banking hall of some magnificance at the base of the tower was solved by adding four low buildings or blocks between the arms of the cruciform. These were completely opaque, and formed a cantilevered canopy at the ground by projecting several feet beyond the glass walls at the perimeter of the base. Cobb considered these additions a substantial improvement in the design. The separate lobby identities that were the fundamental reasons for the cruciform were reinforced by the addition of these blocks.



11

PVM**PLAN**



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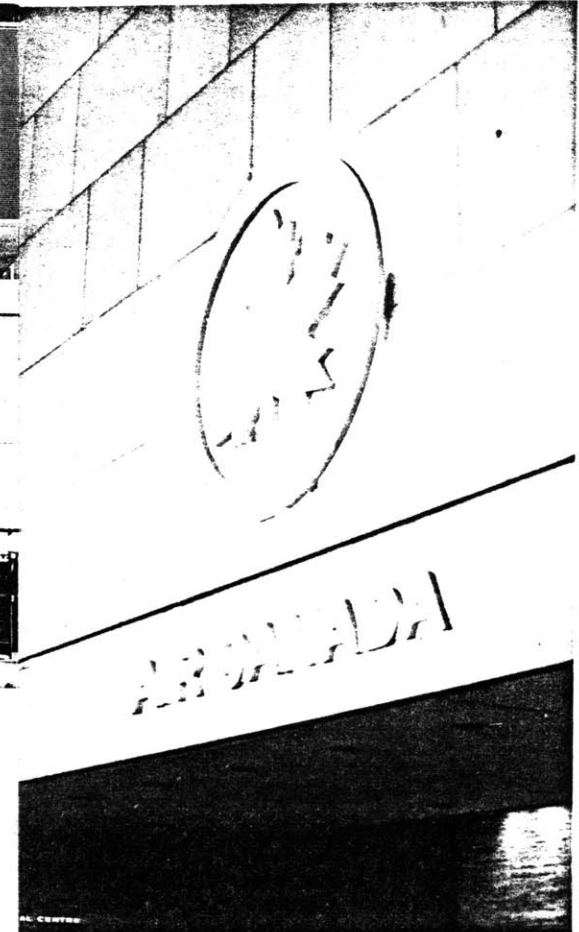
● looking toward mcgill university from plaza



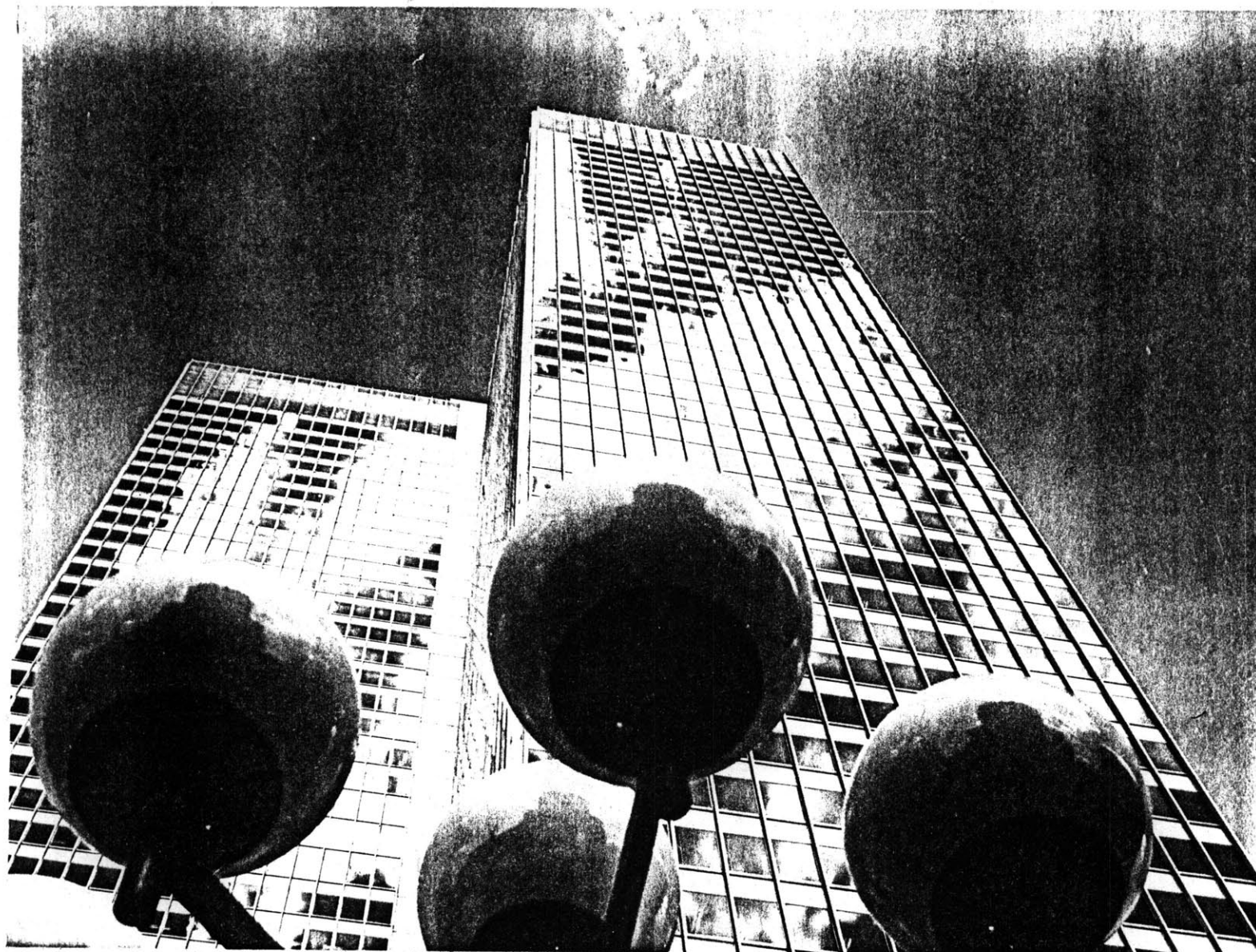
● underground mall



● royal bank lobby on plaza

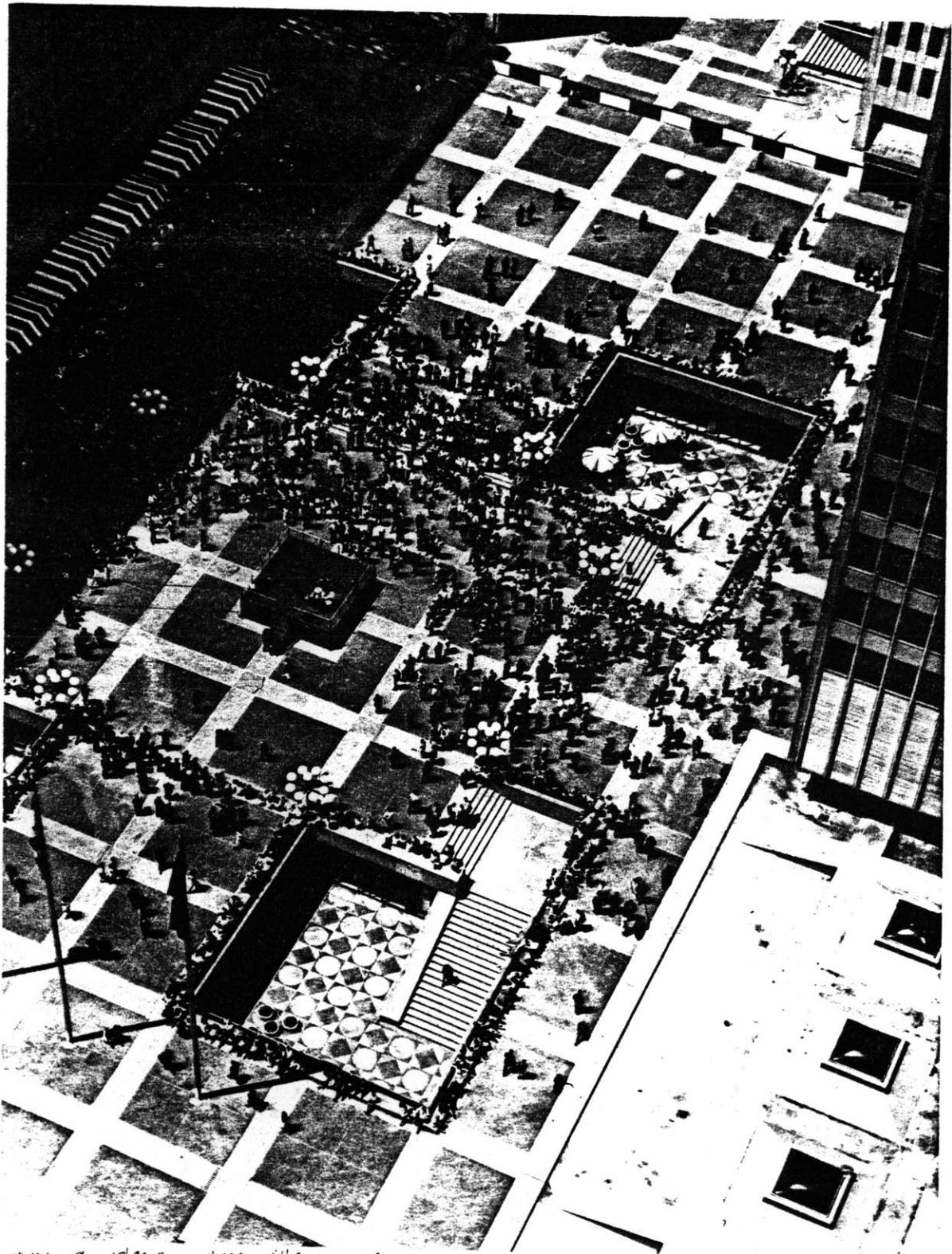


● air canada lobby



view of tower : place ville marie

cn photo



view of plaza - place ville marie.

on photo.

Cobb remembered the presentation of the revised scheme to the Royal Bank in May 1958 had followed a "mad charrette."³⁸ James Muir walked into his board room that morning to find architects and model makers sleeping on the floor. Far from tarnishing their professional image, Muir was impressed by the intensity of the activity. He was also capable of the same intensity. He never consulted his board for approval of the project. That morning he simply announced to the directors as they approached the boardroom that on the other side of the door was their new headquarters building.

The final scheme presented to the board consisted of the cruciform Royal Bank of Canada tower, and three lower buildings grouped around an open space that formed the top surface of the podium. The shopping concourse below this level was accessible from four wells in the plaza, from stairways off Mansfield Street, and from doorways directly off Cathcart Street. The two parking decks below the shopping concourse were reached from the garage entrance on Cathcart Street at the base of McGill College Avenue. This parking area served both Place Ville Marie and the Queen Elizabeth Hotel. Truck servicing for the site -- particularly for the shopping and restaurant areas in Place Ville Marie -- was accessible from LaGauchetiere Street. An interior roadway allowed trucks to drive under the surface streets to arrive at loading facilities on the car-park level of the project.

Cobb originally intended the smaller buildings around the cruciform tower to serve as low pavilions with theatre and exhibition space. They were, in this revised scheme, office buildings. The two flanking

Cathcart Street would be four stories while the one facing Mansfield (and the Sunlife building) would be thirteen stories. Cobb had little to do with the decision about this last structure. Although he admits the "enclosure" it gave the plaza was beneficial, the decision to build it at that height was Zeckendorf's. The reason for it stems from a conflict with Sunlife Insurance Company. Zeckendorf believed they were nervous about the possible effects this project would have on the rental space in their own building. As a result of that conflict, Zeckendorf asked Cobb to make the three-story building intended for the Mansfield Street side of the site larger so that the Sunlife building could not vicariously enjoy the plaza of Place Ville Marie. Cobb increased it to six stories, but Zeckendorf wanted it still higher. The thirteen stories finally satisfied his desire to cut off Sunlife from his project. Cobb remarked that the seam on the model where the additional ten stories were added was clearly visible.

Zeckendorf's primary interest was the tower. He was not that concerned with the remainder of the scheme; trusting that his architects would take good care of the ensemble. The one additional area causing him some concern, however, was the shopping promenade -- particularly the possible negative reaction of potential lessees to the underground space. Cobb therefore had a large scale model built in which all the actual lighting conditions were simulated, shop windows decorated, and human figures introduced to establish scale. The reaction was negative, however. Possible tenants considered it a basement. This response induced some panic, and some leases for what Zeckendorf considered "second-string

retailers."³⁹ Cobb noted they were hard to remove once the success of the project was established. Space that rented for six dollars per square foot and only produced fifteen tenants at the opening of the building soon rented for fifteen dollars per square foot with no vacancies.

Political Maneuvers:

At the time of Zeckendorf's initiatives in Montreal, the city administration, headed by Mayor Jean Drapeau, was occupied fighting a campaign against "crime in the streets."⁴⁰ The issue of physical development had not reached any level of general exposure or specific concern in the city. The general tendency for Montreal to lose major central city growth to Toronto had been establishing itself for many years. The expectation was that Toronto would shortly take over Montreal's distinction as the largest city in the country and the center of its financial activity. The city administration thought it best to occupy themselves with issues of more immediate concern: the visibility of felony, prostitution, etcetera.

The city planning department had only been recently created (in 1941). Prior to 1963, its activities were limited to relieving traffic congestion, preparing appraisals of the physical environment (density studies and the condition of buildings), and the preparation of land use guidelines for open space and recreation. Although some land use studies labelled small areas "redevelopment," that issue was only tangentially dealt with.

Place Ville Marie was the catalyst for an entirely new type of planning department in 1963. This "Zeckendorf miracle" ⁴¹ had transformed the central business district, but the energy of this expansion was spontaneous. The city was anxious to direct that energy toward "the logical solution to problems." ⁴² This meant two separate but related things in practice. First, it was the concern for the health of Montreal, and the realization that the city might, after all, retain its first-place position in size and economic importance; second, that it was an opportunity to redress a lingering inequality between the French and the English.

Zeckendorf quickly became aware of the context in which he found himself in the early phases of the project. He was also aware of a more general climate characterized by "strong spasms of .. anti-Americanism....,"⁴³ that could hinder the attempts of an outsider to carry through development.

In the first category of predictable, avoidable trouble, I destroyed one thousand copies of the first brochure my aides put out on our Montreal project ... Quite unconsciously, by what it did not say, this brochure dismissed Canada as a mere state, another Illinois or Colorado where Webb and Knapp of New York operated. ⁴⁴

He was, however, to deal with the "complex and everpresent business of things French versus things English waiting to trap the unwary from the south" ⁴⁵ day to day. He was very careful in avoiding the pitfalls that might interrupt or paralyze his plans should he not be sensitive enough to the issue.

The French/English issue was (and is) a deep and complex one. This ethnic and class division has left its mark in the physical pattern of

Montreal. Place Ville Marie was very much a part of that pattern because the conditions that contributed to its construction (its location, values of land nearby, and its connection to important features in the city) were bound up with an English identity and their control of economic life in the city. For the French Canadian Montrealer, Place Ville Marie was another triumph for English capital, but it was also a model that might be exploited for the direct benefit of the French. This reasoning would serve to launch a true version of urban renewal much as it was practiced in the United States.

The historical roots of the French/English division are as old as the settlement of the New World itself. This area of Canada had originally been settled by French colonists. The pattern of settlement was, for the most part, feudal in structure; administration of the colony being carried out by seigneurs, or manorial lords who controlled distinct pieces of territory. These territories were, furthermore, religious boundaries or parishes. The seigneurs were very often clergy whose presence in Nouvelle France was intended to spread the borders of the religious revival that was strongly felt in France in the early 17th century. Montreal was first settled in 1642 by just such a seigneurial group -- fifty members of the French Associes de Notre Dame pour la conversion des sauvages de la Nouvelle France en l'ile de Montreal.*

The settlement was known as Ville Marie.

* Society of Our Lady for the conversion of the nations of New France on the island of Montreal.

The ties with France were also secular. The New World was a virtually unlimited source of material wealth, and the religious settlement of Ville Marie soon became the fur trading post of Montreal.

The language of commerce was, of course, French. The English-speaking population in Montreal was absorbed even after the termination of French rule in North America in 1760 -- for a short time at any rate. The transformation of the position of English in the town to one of dominance took place during the occupation of Montreal by the American revolutionaries. Although the English population was increased, they were still the minority. Yet the latent primary of "les Anglais" rooted in an economy now linked to England manifested itself with the infectious spirit and competition of American mercantilism. The English Protestant merchants of Montreal slowly grew as a dominant class.

In the early years, the growing class differences did not appear physically in the town. Montrealers, by-and-large, lived within the fortified walls (or just outside them). The buildings were densely built with shops and workspaces occupying the ground floor. The residential quarters began above these. The wealthier English merchants occasionally built their residences beyond the limits of the city. These first appeared to the east of the town, but they increasingly favored the upper plateau west of the city toward the summit of Mount Royal. The area around was farm land, and these wealthy landowners on the hill found pleasant surroundings and an unsurpassed view of the city below.

The growth of industrialization significantly altered that pattern. The mixture in residential quarters disappeared. Factories and warehouses

began to occupy the original town while workers' housing was built just beyond the factories. The emerging residential segregation was also linguistic. The more affluent English continued to withdraw from the industrializing center to fill out those areas earlier inhabited by the merchants; that is, to the western plateau. The French, meanwhile, expanded eastward, first along the lowlands flanking the river, then up upon the eastern extension of the plateau. The "two cities" were very evident by the 1860's. Writes one historian,

To the east, lived most of the French citizens, to the west the English. And much of the civic power derived from the latter; in business, finance, and industry the English controlled the lion's share. ⁴⁶

Later development intensified this segregation. The railways found working class areas easier to penetrate than the areas of the well-to-do. The freightyards and track alignments were adjacent to these areas. The passenger facilities -- attempting to get as close as possible to the central city without incurring high land values -- were placed at boundary areas adjacent (and beneficial) to the well-to-do residential areas. The west-east, English-French character of Montreal became increasingly entrenched.

The domination was, at an earlier time, accepted and rationalized by such French Canadians as Monseigneur L.A. Paquet, who argued in 1902 that:

Our mission is less to handle capital than to stimulate ideas; less to light the furnaces of factories than to maintain and spread far and wide, the glowing fires of religion and thought ... While our rivals are struggling for ... the power that stems from industry and finance, ... our aspirations shall above all aim to uphold the honour of the doctrine and to gain the palms of apostleship. ⁴⁷

The modern French Canadian, however, was no longer content with such less tangible roles and benefits. They increasingly understood their history to have been one of domination from the outside. Jean Drapeau asked the question:

What remains to us? ... Agriculture, small scale manufacturing, a small portion of banking, of retail trade and construction. For the rest, we are more and more employees ... of large English-Canadian, English and American companies. We are tending more and more to become a proletarian people. ⁴⁸

This was the situation into which Zeckendorf flew in late 1955 to meet Donald Gordon. He was quickly introduced to the problems it might create for development by the example of Canadian National's new convention hotel which was under construction. It was the largest hotel in the Canadian National chain; sited on the south side of Dorchester Street over the railway tracks. A name for the hotel had not been decided upon even as construction proceeded. The executives knew that this was a sensitive point. An off-hand remark by Governor-General Vincent Massey on a visit to Britain finally decided the issue. He wondered aloud if the Queen might want such a grand hotel named in her honor. Her majesty graciously accepted, and Canadian National had very little choice -- the hotel was called the Queen Elizabeth. The "hoots and howls of rage and frustration from French politicians and editors lasted for months ...," writes Zeckendorf of the incident. ⁴⁹

He was not going to make such a mistake. He concluded "that whatever name we chose for our project, it had better be French." ⁵⁰ That decision resulted in the choice of the profoundly historic name of Place Ville Marie.

Mayor Drapeau, delighted with the name, immediately checked with his eminence, Montreal's cardinal, Paul-Emile Leger, who was equally enthusiastic.⁵¹

In the political realm at least, the French presence was very real for Zeckendorf. This alliance of church and state, of French language and religion was just one of those "obstacles" that he had to somehow steer past.

Zeckendorf did find himself involved. The architectural scheme of Place Ville Marie was originally designed to bypass the St. James Club, a "gentleman's club" that was the gathering point for the English business elite. There were buildings being razed to make way for Place Ville Marie, and the Mayor made his intention regarding the St. James Club quite clear when he asked Zeckendorf and Cobb if they happened to have a match.⁵² Although Zeckendorf insists he did not want nor was it necessary to destroy the building, its destruction was a necessary political compromise. A similar French club had been destroyed in the earlier process of widening some streets (presumably on the impetus of English needs).

A Montreal cartoonist, French of course, depicted a last battle with assorted (St. James) club members umbrellas drawn, standing off the workmen and fending off the bulldozers with blasts from seltzer bottles.⁵³

The issue of Canadian Nationalism was not without its own presence moreover. Zeckendorf writes that the newly elected conservative government in Ottawa had ordered the Canadian National Railway to stop "its dalliance with the devilish foreigners from the south."⁵⁴ Zeckendorf sought the assistance of Louis St. Laurent, the leader of the opposition and himself

prime minister until that election of 10 June 1957, to help sway the impending government vote on the lease agreement with Canadian National in his favor. He argued that Drapeau and Cardinal Leger were pleased with the project which was to be called Place Ville Marie. He further gave assurances, in answer to St. Laurent's specific questioning, that he would not be putting up small buildings to directly compete with extant businesses in Montreal, nor would he be developing all 22 acres of Canadian National's property. He pointed out that only seven acres were to be developed by Webb and Knapp, and he would use this to build "one great structure that would be to Montreal what the Eiffel tower was to Paris."⁵⁵ St. Laurent promised his help as a result of that conversation, and the lease was granted, by a narrow voting margin, in December 1957.

Although Zeckendorf skillfully managed to avoid all the English, French, and Canadian nationalist pitfalls that awaited him in Montreal's unique political and social climate, his building, in spite of its name, still consolidated the historic pattern of English domination. The French were acknowledged as a force to be considered, but not as initiators or controllers of a situation. Zeckendorf had built his Eiffel tower, and the financial community, formerly on relatively neutral turf on St. James Street, now shifted to the "colonial axis" -- the area identified with English interests. Place Ville Marie was an Eiffel tower in London.

Professional Reaction:

The details of design and the intentions of the project were published by every major architectural journal and business periodical while Place Ville Marie was under construction. Jan C. Rowan, for example, devoted considerable attention to the project and its restructuring of the city in the February 1960 issue of Progressive Architecture. He began his assessment by lamenting the "chaotic cityscape" of present-day cities:

... In every civilization but ours, the city structure reflected the concentration of economic and political power. Today, a typical city is a vast, sprawling, and incoherent agglomeration of unrelated structures lined along a criss-cross of similar traffic-choked streets. 56

The problems, he argued, were only exacerbated by hiding behind dreams such as Le Corbusier's Ville Radieuse or the schemes of Lucio Costa (the designer of Brasilia). The process of planning and design must have "flexibility and adaptability to changing conditions ..." 57 Place Ville Marie had convinced Mr. Rowan of the feasibility of achieving urban development "in an orderly fashion" through "the system of private ownership and democratic government ..." 58

He carefully described the important constituent features of this "orderly" development: the necessity of relieving congestion, of facilitating access to the core of the city for the outlying regions, and the development of large and important spaces in the city to replace the degenerating smaller buildings. He therefore praised the proposed development of a ring highway to facilitate access to Place Ville Marie, and the instituting of a regional planning authority to carry out such a proposal.

The plaza itself was of considerable interest as well. It served both a commercial and civic function, Mr. Rowan points out, while the "imposing monumental form" ⁵⁹ of the cruciform tower hovers over the space. It would serve as a gathering point visually linked to McGill University and Mount Royal along an uninterrupted axis on McGill College Avenue.

In his concluding remarks, Rowan admitted there may be dangers involved in the introduction of a "new and alien scale" ⁶⁰ into the existing fabric. But there were only two other choices he argued. There was the unrealistic option of a powerful "superauthority" that could prescribe "idyllic" land uses like recreation to such important properties, or (and this seemingly the worst) lot by lot development:

Such an unplanned and cancerous growth eventually results in urban decay, a flight to the suburbs, and complete and disappearance of all urban qualities and metropolitan values. ⁶¹

I have paraphrased this article at length, not (entirely) to criticize Mr. Rowan, but because it succinctly illustrates the direction of professional consciousness regarding the nature of the city and its ills, and why Place Ville Marie was perceived as a fitting remedy to those perceived ills.

The building was completed in 1962 with two buildings unrealized: the one facing the Sunlife building, and the one at the corner of Cathcart and Mansfield. These were part of the financing scheme, however, and they were completely shortly after. Two additional stories were added to the Cathcart Street buildings in the late sixties.

NOTES, Chapter Two

1. Bryant, James, Department Store Disease, Toronto, McClland and Stewart, 1977, p. 150.
2. *ibid.*, p. 151.
3. *ibid.*, p. 151.
4. Zeckendorf, William, Zeckendorf, New York: Holt, Reinhart, and Winston, 1970, p. 167.
5. *ibid.*, p. 168.
6. Bryant, p. 154.
7. *ibid.*, p. 153.
8. Zeckendorf, p. 171, 172.
9. Gordon, Donald, "The Problem of Creating the Place Ville Marie Development," address to Rensselaer Polytechnic School of Architecture, Queen Elizabeth Hotel, 10 April 1964.
10. *ibid.*
11. Interview of Henry N. Cobb, by author, April 7, 1978.
12. Zeckendorf, p. 171.
13. Cobb interview.
14. *ibid.*
15. Pei, I.M. and Partners, "Master Plan for Canadian National Railways," Montreal Terminals Development.
16. *ibid.*
17. Zeckendorf, p. 173.
18. *ibid.*, p. 174.
19. *ibid.*
20. *ibid.*

21. *ibid.*, p. 175.
22. Cobb interview.
23. Zeckendorf, p. 176.
24. *ibid.*
25. Weaver, David R., "Montreal's Place Ville Marie -- Urban Development and the Canadian National Railway," Harvard University Thesis, School of Government, 1965.
26. Cobb interview.
27. *ibid.*
28. Zeckendorf, p. 178.
29. Zeckendorf, William, "Financing of Place Ville Marie," Journal of the Royal Architectural Institute of Canada, Vol. 40, No. 2, February 1963, p. 52.
30. Zeckendorf, William, Zeckendorf, New York: Holt, Reinhart, and Winston, 1970, p. 179.
31. *ibid.*
32. Aubin, Henry, City For Sale, Toronto: James Lorimer and Company, 1977, p. 82.
33. Since Webb and Knapp (Canada) Limited was involved in other ventures throughout Canada partly designed to support a sinking fund for the construction of Place Ville Marie, subsidiary. "Place Ville Marie Corporation" was the object of the partnership.
34. Zeckendorf (autobiography), p. 194-195.
35. Aubin, p. 83.
36. *ibid.*, p. 84.
37. *ibid.*, The source was *Forbes Magazine*, June 15, 1973, "Black, White, and Henry Oppenheimer," p. 38.
38. Cobb interview.
39. Zeckendorf (autobiography), p. 195.
40. From an interview with Mr. Alex Kowaluck of the City of Montreal Planning Department, 14 March 1978.

41. *ibid.*
42. *ibid.*
43. Zeckendorf (autobiography), p. 183.
44. *ibid.*
45. *ibid.*, p. 184.
46. Jenkins, Kathleen, Montreal: Island City of the St. Lawrence,
New York: Doubleday and Company, 1966, p. 386.
47. Paquet, L.A., "Sermon on the Vocation of the French Race in America,"
quoted in Rene, by Peter Desbarats, Toronto: McClelland and
Stewart Ltd., 1977, p. 26.
48. quoted in Rene, by Peter Desbarats -- see previous note.
49. Zeckendorf (autobiography), p. 185.
50. *ibid.*
51. *ibid.*
52. Cobb interview.
53. Zeckendorf, p. 187.
54. *ibid.*, p. 185.
55. *ibid.*, p. 186.
56. Rowan, Jan C., "The Story of Place Ville Marie," Progressive Architecture,
Vol. 41, No. 2, February, 1960, p. 124.
57. *ibid.*
58. *ibid.*
59. *ibid.*, p. 130.
60. *ibid.*, p. 135.
61. *ibid.*

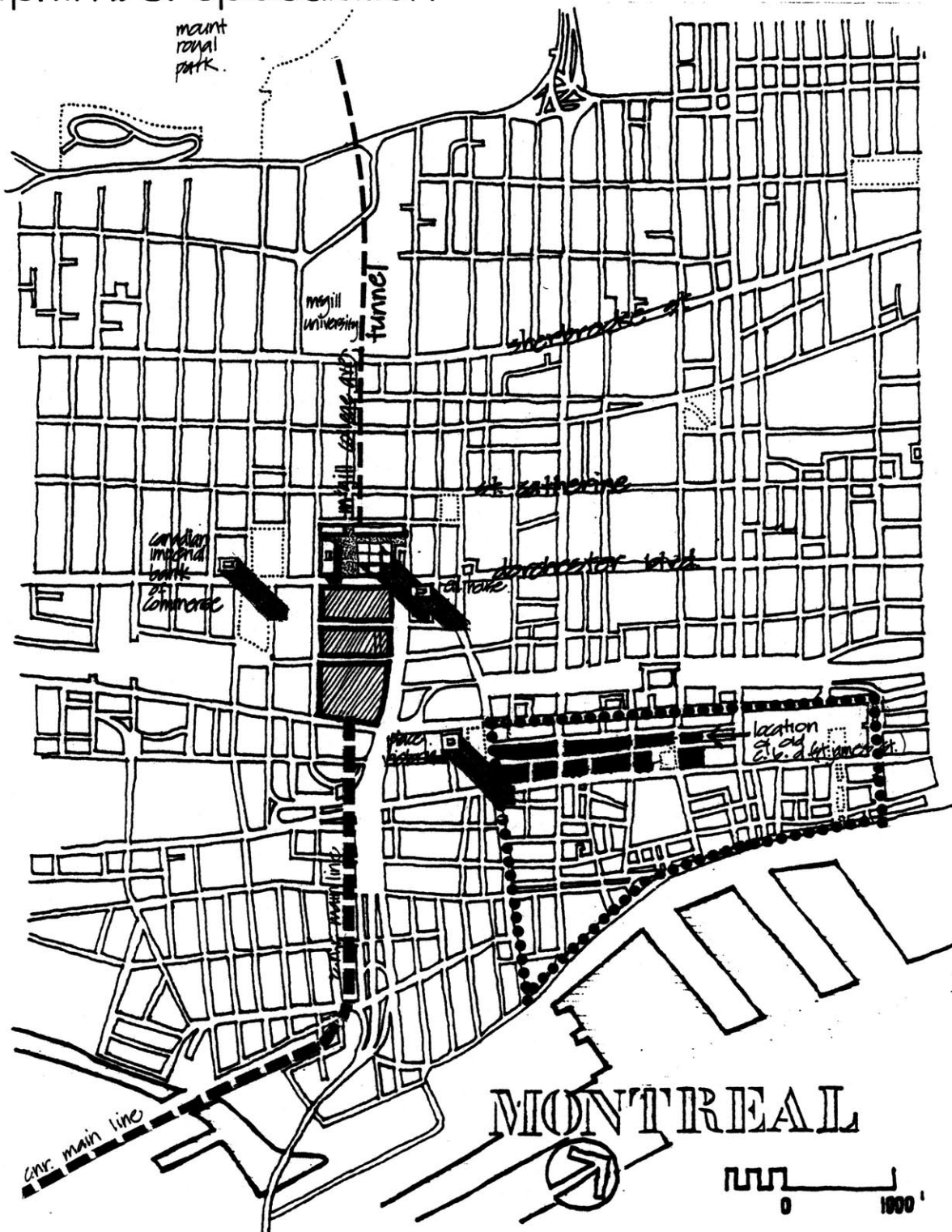
CHAPTER THREE: IMPACTS OF PLACE VILLE MARIE; SPECULATION AND RENEWAL

The effects of Zeckendorf's vigorous activities in Montreal precipitated a new pattern of growth even before Place Ville Marie itself was under construction. Speculation and bank rivalry quickly transformed Montreal. This new appearance, and the conditions necessary for its realization became a matter of policy for the city administration for future development.

The Banks Compete:

Zeckendorf was aware at the outset of his activities in Montreal that the city was absorbing approximately 300,000 square feet of office space per year. The growth had indeed been of that magnitude. Since World War II, 1.14 million square feet had been added to the available office space while another approximately 955,000 square feet were protected for completion in 1956 and 1957. Zeckendorf was not dealing with a response to anticipated demand however. His efforts were directed at an entirely different consideration of the market. He recounts that during an early visit to Montreal in 1955, he arranged a luncheon with real estate men from the city. He asked each of them to predict the

p.v.m. & speculation



square feet of office space that the city was able to absorb over the next five years.

They wrote their predictions on slips of paper, which I collected. Most estimates ranged from 300,000 to 750,000 square feet. I read these answers out. Then I cheerfully announced that we would soon be starting on a four-million-square-foot complex, which could be larger than the original Rockefeller Center. The faces at the table turned green with horror. ¹

As we have seen, Zeckendorf succeeded in acquiring the necessary financial backing, and, more importantly, the right tenants for the structure. He simply believed that the building he was to build more closely matched the needs of what he called "the great corporations." It was to him a qualitative distinction in the nature of the accommodation he was providing.

His own assumptions seemed to have been verified by the sudden acceleration in speculation on just this type of space. This activity added another 1.5 million square feet of space to Place Ville Marie's 3.4 million square feet of space in its final form. This was considerably beyond the less than one-half million square feet per year the city had been accommodating.

Three buildings were simultaneously rising to dominate the skyline of Montreal. A third would begin construction shortly after the others were completed. The real estate and financial activity that accompanied Place Ville Marie, moreover, was directly responsible for the other three buildings that were constructed. The first of these was the result of what appeared to be bankers' rivalry.

Zeckendorf mentioned the caution with which James Muir (of the Royal

Bank) proceeded to operate after deciding to move the head office to Place Ville Marie. He publicly announced that the bank only intended to lease space in the new building. Zeckendorf explained this strategy as an attempt to "keep away any competitors from making a similar move away from St. James Street and onto the high ground in midcity ,... (and) to reap the advantages of being the sole bank in a modern office and a new location" ²

The Canadian Imperial Bank of Commerce was not to be outfoxed. With their developers and design team, the bank prepared a scheme for a new building uptown. The site they chose was at the corner of Peel and Dorchester, and was presently occupied by the Windsor Hotel -- an old and elegant hotel on Dominion Square. The property was held by the Royal Bank, yet through a lack of perspicacity on the part of a bank official, the Canadian Imperial Bank acquired a lease without Muir's knowledge. The person involved was apparently not aware of the suspicion or fear of any competitive development efforts. The fury of Muir's reaction to the news of the transaction was remembered long after. The bank official responsible was given a "fierce tongue-lashing" for his part in extending "aid and succor to the enemy." ³

Muir was concerned enough about the competition to seek ways of compromising the financial feasibility of the rival project:

Muir was especially delighted to learn that, by city regulations, his competitors had to provide suitably spacious parking facilities within five hundred feet of their building. If they could not, they would be required to dig down through solid rock for the four or more extra floors to supply the necessary parking area ... The only available parking site was the Tilden Garage, and Muir immediately had us (Webb and Knapp, Canada Limited) buy it with his money. ⁴

This attempt to sabotage the project's financial feasibility failed however. Zeckendorf believed that "friends" in the city administration assisted by "properly" interpreting the applicable by-laws.

CIL House:

The other structure that appeared concurrently with Place Ville Marie and the Canadian Imperial Bank was the CIL House -- the head offices of Canadian Industries Limited. Much earlier, they had been approached by Zeckendorf about their possible occupation of Place Ville Marie. At that time, CIL refused to even consider the possibility. Now they hastened to relocate in a new tower.

The building was developed by a local entrepreneur named Ionel Rudberg, who was one of Zeckendorf's guests at the luncheon he sponsored for the real estate community. The increasing momentum of the Place Ville Marie project, and the visible activity that Zeckendorf ensured was taking place in the excavation both stimulated Rudberg into an attempt of his own, and induced Canadian Industries Limited to reconsider their present location at the corner of St. Catherine Street and McGill College Avenue. Rudberg offered the company the additional incentive to move into his new building by offering to purchase their old building for five million dollars.

Rudberg's competition with Place Ville Marie had some tangible effects on the project. Cobb had designed a long platform which extended the plaza of Place Ville Marie from Cathcart Street up to the

busy commercial strip of St. Catherine Street. This was considered to be an extremely important feature of the scheme as a needed connection for the shopping promenade below the plaza level with the retail activity in St. Catherine Street. The proposal, however, required a street widening and demolition of some buildings along McGill College Avenue. This was an issue for City Council. Rudberg, "worried about a possible five-million-dollar turkey" (the old CIL building)," ⁵ resisted the proposal at the city council. He also persuaded CIL, who would still own and occupy the building until his new one was completed, to write a letter to the city protesting the proposal and its detrimental effects on their (old) building. Zeckendorf's support in the city administration was tenuous at the time. Jean Drapeau was deposed as Mayor in the recent election.⁶ Rudberg's attempt, as a result, was successful: the city voted down the proposal.

Zeckendorf was alarmed by the defeat. His concern was not directly for the design, however. He was more immediately concerned with the effects this would have on his financing arrangements. Eliminating the platform would, he thought, jeopardize the success of both the plaza and the shopping promenade. The reason for his concern was the nervousness this would cause the insurance company that was about to sign the mortgage agreement:

In the early negotiating stages, (they) can be quite flexible about the details of a project, but become more and more rigid as an agreement reaches the signing stage. By the time an arrangement has been reached and written up into preliminary contract form insurance companies have developed a ritual inflexibility that only the priesthood of ancient Egypt may have been able to equal. ⁷

The task was to convince Metropolitan Life that the link to St. Catherine Street was not vital to the project. This was eventually done, but not without convincing themselves of it.

Place Victoria:

The origin of this project was in Zeckendorf's earliest efforts in Montreal. He was actively seeking out possible partnerships to finance Place Ville Marie and other projects that Webb and Knapp were involved in. The Societa Generale Immobiliare contacted Zeckendorf for just such "mutual projects" both in the United States and in Rome. Immobiliare was a real estate investment and construction company based in Rome. They invited Zeckendorf and I.M. Pei to come to Rome to investigate a project in the E.U.R. (just outside Rome) that might begin the partnership. After spending some time there, however, it became apparent to Zeckendorf that the contact was not to discuss partnership, but it was a "Machiavellian game ... picking our brains before moving in as our direct competitors both in Washington and in Montreal ... " 8

Immobiliare also managed to hire one of Zeckendorf's vice presidents, Nicholas Salgo, and with him they prepared plans for an office tower in Montreal. The project was financed through a Belgian bank, and the Montreal Stock Exchange would be its major tenant.

The project, although much larger than the other two competitors of Place Ville Marie, was never to have great impact. Zeckendorf was clear about its troubles:

It did not effectively tie itself into the existing communications system of which our project was the hub. Instead of going up in one master stroke, Place Victoria was built slowly and piecemeal ... only one of three originally proposed towers has been completed; and this one tower is not filled, despite discounted rents. ⁹

Immobiliare was not a small business faltering with a large project. The company was then (and remains) a large one. Until 1971, it was effectively controlled by the Vatican which, although owning only 15 percent of the stock, retained four of its financiers on the nine-man board of directors. By 1971, the Church had "effectively liquidated" its interests in Immobiliare. ¹⁰ The company remains active in Montreal and other cities, however.

It owns housing projects in California, is building an airport in Nairobi, sells high-rises in Paris, and remains, ... Italy's biggest builder. In 1977 it controlled 120 companies, of which about 70 are outside Italy. Perhaps its most famous property is Washington's Watergate apartment complex. ¹¹

Although the two additional towers of Place Victoria were never built, Immobiliare has just completed (in October 1977) Montreal's 768-room Hyatt Regency Hotel on the site adjacent to the existing tower which was being held in anticipation of the second tower.

Henry Aubin's investigation into Immobiliare demonstrated some financial ties as powerful as those of Trizec. The Vatican had liquidated its shares in Immobiliare to the Paribas group -- "one of France's two principle financial-industrial axes ..." ¹² This transaction was made on behalf of Charles Bluhdorn, a banking client and president of the Gulf and Western multi-national conglomerate. A Milanese financier named Michele Sindona acquired this block of

control (from Bluhdorn). Sindona, however, was later arrested for his apparently shady financial maneuvers. His interests in Immobiliare fell to Banca di Roma, a state-owned bank. They, in turn, sold those interests to a group of Italian real-estate developers. An Espresso reporter interviewed one of these real estate tycoons, Arcangelo Belli, about his acquisition of Immobiliare:

Belli -- "... we all knew Immobiliare was the only concern which in years to come could become a reference and turning point in the changes which will occur in the construction industry. So far we have lived the era of cars; now we live the era of new use of the land, cities, hospitals and schools.

Espresso -- " Very good. You must feel guilty for what you did to our cities then. And how do you want to 'arrange' them now?

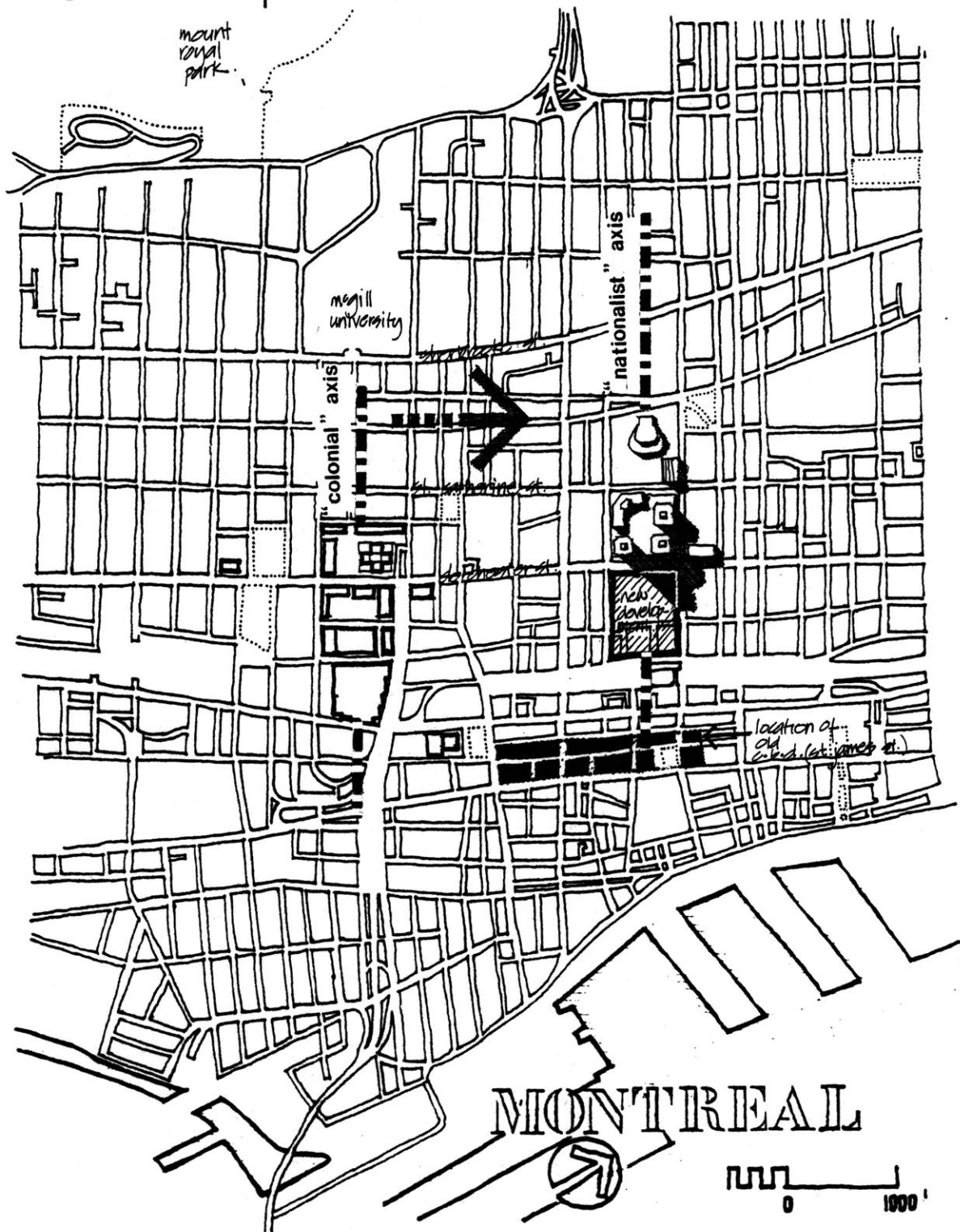
Belli -- "... alone I am nobody; as Immobiliare I can express myself." 13

A New Pattern of Development:

The pattern of building established by Place Ville Marie soon became a generalized pattern of development for the city. The formula for successful private development was pursued and assisted by public policy. Enormous sums of money was expended to actively support development by private entrepreneurs by providing a favorable investment context, both institutionally and physically, brought about by planning at municipal and regional levels. 14

Part of that pattern was such notions of organization as the "underground city" that spontaneously grew out of Place Ville Marie's shopping concourse. Vincent Ponte, the planner working for Zeckendorf,

later development

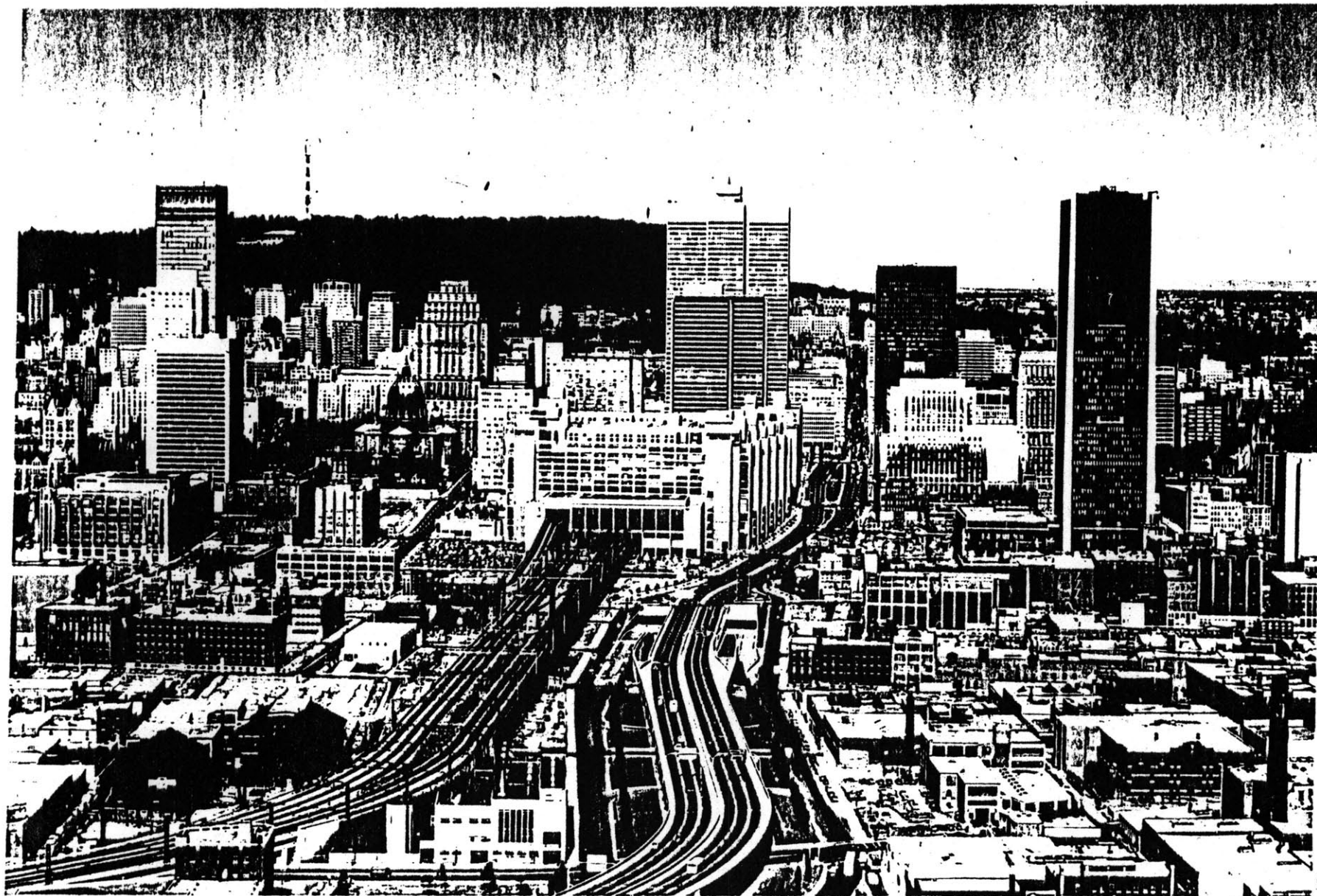


described the pattern as a solution to pedestrian-vehicular conflict and traffic congestion by removing pedestrians "from the streets and reroute them into the structures themselves ... a three-mile climate-controlled sheltered network of shopping malls, concourses and promenades which extend through block after block of construction, ..." ¹⁵ There can be no doubt that congestion was somewhat relieved, and that the underground network provided Montrealers with a refuge from the severity of a cold Canadian winter as they moved about the core of the city. This organization, on the other hand, also offered developers the opportunity of capturing the activities already centralized in the core of a city (shopping, restaurants, street entertainment, and theater) upon one site under one ownership. Pedestrian traffic could then be directed in patterns most beneficial for the developer. Although the intent was clear, leaving the surface streets barren of pedestrian activity might be arguable, ¹⁶ particularly when the alternative -- these underground promenades under larger-scaled ownership -- is a more highly controlled situation in which marginal business might not gain entry.

This new problem of growth also became the model for purposeful transformation of larger areas of the city. Mayor Drapeau and his administration attempted to put this new model of urban organization to not only giving Montreal the appearance of new vitality, but to also give the French Canadian some control and identity within this new image. Hence the city's development of infrastructure amenable to such a pattern was actively encouraged into the eastern side of the city's

underground network

central area to identify this growth with French interests, and, in some indirect way, to integrate the French presence into the circle of powerful (and English) decision-makers: the corporations financial institutions, and the legal and technical professions. The result was the formation of the "nationalist" axis which, although still incomplete, very much illustrated the continuing struggle in a dual city.



view of montreal c. 1970 : from harbor looking toward mt. royal

cn photo.

NOTES, Chapter Three

1. Zeckendorf, William, Zeckendorf, New York: Holt, Reinhart, and Winston, 1970, p. 189.
2. *ibid.*, p. 188.
3. *ibid.*
4. *ibid.*
5. *ibid.*, p. 190.
6. The election of 1957: He was replaced by Sarto Fournier for one term. Drapeau regained the position in the next election, and has retained it ever since.
7. Zeckendorf, p. 192.
8. *ibid.*, p. 182.
9. *ibid.*
10. Aubin, Henry, City for Sale, Toronto: James Lorimer and Company, 1977, p. 308; quoting Hugo Farci, vice president of Immobiliare's local subsidiary: Place Victoria -- St. Jacques Company Limited.
11. *ibid.*
12. *ibid.*, p. 309.
13. *ibid.*, p. 312.
14. As an example of that sort of effort, the city of Montreal and the provincial government supplied public planning assistance amounting to over 1.4 million dollars over a six-year period to facilitate the profitable development of the Blue Bonnets racetrack by the Campeau Corporation into a housing, office, and commercial complex. Concessions such as the rerouting of a proposed metro extension from a working class residential neighborhood to the site was part of that planning effort. Ref: Limonchik, Our Generation, Vol.12, No.2, Fall, 1977.
15. Ponte, Vincent, "Montreal's Multi-Level City Center," reprint from Traffic Engineering, September, 1971.

16. The full effects of this possibility has not been felt in Montreal. The reason for this seems to hinge upon the complementary nature of the underground network, which runs from north to south, and the surface pedestrian traffic on the main shopping street -- St. Catherine -- which runs east to west. The two systems cross one another close to Place Ville Marie. Ponte's intention was to put as much underground as possible. This has never been fully carried out in Montreal. Other cities, notably Toronto, have demonstrated that where this underground option has been exercised, the street traffic does indeed atrophy.

CHAPTER FOUR: CONCLUDING OBSERVATIONS

This chapter summarizes the events of the case to assess the most immediate factors that were contributing to the outcome. This assessment is followed by a more general discussion of economic conditions for the railway and their bearing on changing land values and uses. Finally, Zeckendorf's own theory of action is offered in explanation of the final outcome.

The Role of Visible Opportunity:

The most conspicuous quality of the Canadian National site during this period of change was its visibility as an opportunity to various actors. It had always been, for example, an opportunity for Canadian National itself to supplement its revenues through air-rights development. It increasingly became a more attractive (and necessary) opportunity as economic circumstances changed. (The latter part of this chapter will deal with this situation in more detail.) It was also a visible opportunity for the Robert Simpson Company to solve its central city parking problems and compete with the expanding suburban shopping centers. There was, in addition, the ever-present opportunity for speculation as conditions became more favorable for a profitable venture. These

conditions were present as land uses around the site changed from predominantly residential to commercial and office.

This site itself had been the result of an opportunity made possible by a "fuzzy" belt of uses between an established western residential area, and the easterly downtown area. MacKenzie and Mann's tunnel terminal and freight yards had been an exceptionally bold and ingenious playing-out of this opportunity.

The nature of this more recent opportunity was not the fuzziness of a location, but the strategic location of the site with respect to changing uses -- changes that the presence of the railway terminal itself helped to catalyze.

Development had been drifting westward since the wealthy and powerful English Montreal merchants and businessmen built their residences upon the hillside to the west. The density and high land values of the St. James and Notre-dame Street areas encouraged the larger department stores to locate away from this density and cost in order to secure the larger areas of land they needed, and yet remain accessible to their consumers. The choice was the avenues linking the well-to-do residential areas with the work places of Vieux Montreal.

The location of these commercial uses -- first, the big department stores of Henry Birk and Sons; T. Eaton, Robert Simpson, and Morgan followed by the host of specialty shops, restaurants, entertainment establishments, and theatres -- significantly raised land values along their main location on St. Catherine Street.

The value of the railway lands alone does not explain the opportunity for development nor does it explain the size of what was to finally occupy that land. It would be more to the point to consider the differential in values that this area contained. The railway land itself varied between six and ten dollars per square foot. Adjacent parcels fluctuated anywhere between ten and twenty dollars per square foot. The commercial area on St. Catherine Street showed considerable locational sensitivity with a value on one parcel of 6545 square feet of 413,350 dollars, or 62 dollars per square foot. This was considerably above the almost homogeneous 40 dollars per square foot of the dense and established area on St. James Street. If some notion of "maturity" were to be based on this, it would be framed in terms of the stability and differential of land values. St. James Street was relatively stable and even in values while the site of Place Ville Marie and its surroundings were young and volatile in terms of value. This would tangibly indicate the locus of change.

The conclusion is that the intensity of building occupying the railway lands and adjacent locations is better appreciated as a product meant to exploit a potential and anticipated value than as a response to high values which only dense and lofty construction would make economically viable.

The Role of Land: Demand and Scarcity:

More support for the viewpoint outlined above is evident when we consider the arguments of demand for accommodation and scarcity of land.

The real estate community generally recognized that Montreal was perhaps able to absorb as much as 750,000 square feet of office space over a five-year period. This was much below the 3.4 million square feet Zeckendorf intended to build.

Zeckendorf, however, argued that he was to build accommodations more suited to the needs of the new "great corporations." This simply consisted of the need for "large areas of at least 20,000 square feet on one floor in buildings with considerable prestige."¹ Zeckendorf went further with Place Ville Marie. He asked Henry N. Cobb for 35,000 square feet per floor. There is a contradiction in Place Ville Marie's attempt to meet these "needs," however. The cruciform, which was the result of Zeckendorf's wish to provide "identity for more than one major tenant," breaks these 35,000 square feet into separate blocks each in the order of 7,000 square feet. The central area of the cruciform, furthermore, is entirely consumed by core structure, elevator shafts, mechanical, electrical, telephone spaces, washrooms and circulation space. What remains to fulfill the needs of the "great corporations" is an uninterrupted floor area much the same as many existing office structures in the city. It might therefore be argued the need is for the arrangement of those four quadrants on one floor. This is difficult to assess. The large corporations certainly occupy more than one floor. Alcan (Aluminum Limited) occupies even floors in Place Ville Marie; as does the Royal Bank. One might reasonably ask if one building consisting of single floor areas roughly equivalent to one arm of the cruciform would be qualitatively different. This, however, would describe

the Canadian Imperial Bank building which was (and remains) one of Place Ville Marie's competitors. Having the functional units of the corporations on a single floor is doubtless preferred. But the crucial issue remains the adjacencies between functional units of the corporate organization.² Yet here we are dealing more with marginal distinctions and not compelling differences.

The same is true for the argument that large floor spaces are necessary. It is undoubtedly true that large floor spaces can facilitate layouts of various corporate departments to more directly reflect their organizational structure. It could also be argued that these spaces would allow changes to be made with relatively less effort and expense. (This, however, is very much dependent upon how those floors are built upon by the tenant.) These factors, although they may in some circumstances be helpful, are not vital to the profitable operation of the corporation. If this were the case, such huge corporations as Canadian Pacific; occupying a railway station built between 1881 and 1919, would have succumbed to its sub-standard facilities and changed "needs" some time ago. Yet here again we deal with an issue of marginal costs and benefits. It seems absurd that a corporation would undertake the expense of (usually) much higher rents and costly tenant improvements to achieve an arrangement of facilities that do not seem compelling in terms of improved operation or savings in operating costs although both of these might (or might not) result.

The argument of scarcity is also not entirely convincing. The

major locus of Montreal's growth was on the suburban fringe. The central office functions downtown were growing slowly at best. For a very long time, Montreal had been losing any intensive corporate growth to Toronto, which traditionally had been better situated with respect to industrial production sites in Canada and the U.S. Place Ville Marie would seem to have stimulated a new demand, but the building did not substantially turn this basic condition around. The difficulty of the situation could be seen at the outset of this office building boom in Montreal. All three developments were required to, at least, buy the leases for the old quarters of their prospective tenants. Some bought whole buildings (like Zeckendorf and Rudberg). Zeckendorf, furthermore, admitted that return on the Place Ville Marie investment was not what he would have expected:

While I would say the return is adequate, it is certainly not consistent with the efforts and daring that went into the Place Ville Marie, nor with the extraordinary expense that was committed to create a building of this quality.³

The assessments of growth, I would speculate, were based upon a response measured in demand, not upon where demand was coming from. One development analyst from Canadian Pacific found that Montreal's pattern of development was to shift office populations from one space to another.⁴

Another example may be found in the fact that Zeckendorf never intended the banks to move from St. James Street. He felt uneasy about encouraging such a move in Montreal while carrying out his famous "Wall Street Maneuver" in New York designed to prevent the banks from moving uptown. Persuading the Royal Bank to become the prime tenant was

desperate plunge to realize the project. As we have seen, it was the boldness of the proposal to Muir and the arguments affecting the bank's image that swayed the outcome.

The Role of Prestige and Image:

The factor of prestige is much more illuminating in explaining this change in Montreal. The role of corporate pride and the outward expression of their economic importance and power probably define the source of "demand" and "need" more clearly than any other factor. This was especially true for the banks.

The realization and form of Place Ville Marie is imbued with this concern for a symbolism of dominance over a city. The struggle between the Royal Bank and the Canadian Imperial Bank of Commerce, the snow-balling of speculation in this form of building, and the willingness of corporations to shift are largely derived from this concern. The relationship of Place Ville Marie to other important physical features and social institutions in the city, its "center-of-the-city" symbolism, and even the deeply historical connotations of its name all add to exclusiveness and desirability. These are the ingredients of demand creation: identity, prestige, and image. They also become so inextricably bound up in the sense of utility of the structure that "use" becomes an abstract and imprecise term when set apart from these other qualities.

Many of these factors -- particularly those that deal with physical relationships and symbolism -- are important features in the urban environment in other ways; for example, to the city's legibility or social

and historical continuity. These elements and the aims of corporate pride and dominance may seem coincident, but it is the latter that is, in fact, setting the context in which the former will be played out. Coincidence, furthermore, may not be the established order of the relationship as the uproar over the occasional destruction of a prized landmark by just these aims of corporate pride and dominance has often pointed out.

The Role of the Developer:

The significance of Zeckendorf's personal flair in the formative phases of the project, and his rigorous pursuit of his original conceptions of what ought to occur on the site cannot be underrated. He very much considered himself a modern Medici, personally giving the city significant monuments that were to be the best examples of the architecture and urban design of the age. He considered himself a patron to his architects; allowing them the fullest freedom to express themselves as they wished. They, of course, considered him the perfect client, only encumbering them with the most general of directives. Zeckendorf prided himself on the circle of very young and energetic people he gathered to work on his projects. "I gave these young men all the work and responsibility they could handle, and more ... the youth-quake we instituted in stodgy old Montreal was an exceptional one," he wrote of the team he had assembled to design and build Place Ville Marie.⁵ Zeckendorf's reputation for showmanship and his tendency to incorporate a gracious gesture or a ruthless snub into the physical form and content of his projects gives credence to this personal image of power and

patronage. The image is misleading, however. Acting as a broker of prestige, symbolism, and monumentalism obfuscates his more fundamental role as a facilitator of processes and wealth much larger than himself.

* * * *

To summarize, then, we have observed the major contributor to the building of Place Ville Marie to be the attempt to realize latent value and create new value through a change in use. There is, furthermore, a significant factor in the overall organization and form of Place Ville Marie reflecting power, image, prestige and dominance. This second set of factors, in addition, reinforces the objectives of the first while simultaneously fulfilling more general needs in the structure and perceptual experience of the city.

Land Values and Changes in Use:

The connection between the change in use and the heightened value of land derived from this is of fundamental importance to this study. It is upon this connection that Zeckendorf based his decision of what Place Ville Marie would be, and the roles that other important features of the city would play in achieving its ends. It is upon this connection that the city measures its health (through tax assessment and revenues). It is ultimately the demands of this connection that directed the shape of the central city, generally.

Canadian National itself felt the effects of this connection and acted to better their position; earlier initiating change from a

position of economic strength, and later reacting to forces outside its immediate control. This distinction is worth considering more closely for it illustrates some of the characteristics of this connection between land value and use.

The railways were the most important individual forces shaping the city of Montreal between 1860 and 1920. The Grand Trunk and the Canadian Pacific had both originally responded to the existing fabric of the city as they lay track alignments and determined the location of their station facilities. Once these were built, they greatly influenced the pattern of values and subsequent growth. This particular study began with the description of the engineers' maneuvering of a competing railway company for a location in that city. Its construction again altered that pattern of values and growth, stimulating development and enhancing values.

After the 1920's, however, the railways began losing ground as the most important instruments of change. By the early 1930's, Royal Commission hearings were convened by the Federal Government to investigate the transportation situation in Canada -- particularly the losses of the Canadian National system and the declining profits of Canadian Pacific. Their findings criticized the competition between the railways with its resulting wasteful duplication of facilities. There was also the competition from rival modes of transportation, notably the truck (and later the airplane). The railways' assets were critically evaluated. Every item of expenditure on land, buildings, roadways, switching

equipment, and rolling stock were scrutinized to discover the sources of waste and methods by which the rail transportation might again be profitable.

Although the railway network remained important to industry and agriculture, the companies no longer enjoyed an unchallenged position. Highway construction made truck transport more viable than rail in servicing some areas, particularly the newer suburban factory sites that were becoming more and more commonplace. One result of this shift was the enormous centrally located tracts of land that were no longer completely utilized by the railway. Central city freight handling was, by and large, much reduced, and passenger traffic was declining with the more widespread use of the automobile. The railways, in addition, found themselves incurring heavy expenses to relocate tracks to out-of-town production sites.

The central location of the railway passenger terminals had always been an opportunity to realize a return from adjacent development. Grand Central Station in New York is an example of a railway company taking advantage of the activity and heightened land value their presence generated, and the large areas of land available from the nature of railway operation. The exploitation of the potential in this example was essentially due to technical factors: the electrification of railway locomotives and the development of structural methods to develop air-rights.

By the late 1940's, the situation in Montreal was much different. The presence of railway tracks and activities no longer escalated land

values but were more likely to depress them. Office spaces and supporting businesses became more dominant, and the expansion in their importance placed pressure for change upon these underutilized railway lands.

One response of the railways to the new economic circumstances was to diversify their operations. Canadian Pacific, for example, had been in a relatively good position to embark on just such a course. Like the other railways, they were involved with hotels and water-borne transportation. They now expanded into the areas that threatened to compete with them so that their markets could be assured. They developed a trucking subsidiary, an airline, a telecommunications branch, an industrial shipping fleet, an investment group, and a real estate development group that emerged from the old railway department overseeing rights-of-way. A holding company was formed to direct the "profit centers" of this emerging empire. The strategy was successful. Canadian Pacific's profits in 1977 exceeded 200 million dollars.

The real estate operation is to be noted. Canadian Pacific, through Marathon Realty (as this operation is called), embarked on development projects designed to utilize the vast tracts of land they owned but no longer required for rail operations.

Canadian National faced a similar economic situation, and it too expanded into trucking, telecommunications, and airline transportation. But its field of operations was always dictated by Act of Parliament and (as Thornton forcefully articulated in the early 30's), the political "winds" that might be blowing in Ottawa during the life of

any administration. As a result, it was less flexible in transforming its structure to suit new conditions.

Nevertheless, the excess land holdings provided an opportunity for much needed revenue. Donald Gordon's concern for the "hole" in downtown Montreal was rooted in circumstances of his own time as much as the images of expansion of Henry Thornton or William MacKenzie were rooted in theirs. Development was a good and necessary idea for the continued profitability of the corporation. The question was how. Zeckendorf offered the opportunity to pursue that revenue potential without the tedious task of outlining intentions to form a real estate office and procuring the required change in the Railway Act in Parliament.

Zeckendorf's Theory of Action:

The economic pressures and opportunities latent in the geographic position of this piece of land to other uses both proximate and more distant (St. James Street) set the stage for change. That development would occur is unquestionable. But as we have seen from the situation of demand and land value, the form development would take was much less certain. It is clear from the context that a fragmented development closer in form to the original projects first envisioned by Henry Thornton was far more likely. The architect's first instinct with the Place Ville Marie project was toward this piece-by-piece development which might more closely reflect a rate of market absorption, and a stimulation and growth in demand. This was also the instinct of Zeckendorf's aides. This was not Zeckendorf's instinct, however. His instructions to the

architect were clear: one building of at least 35,000 square feet per floor with identity for more than one "major tenant." He also intended that everything be built at one time for fear that some parts of the project might go unrealized. Zeckendorf's own theory of land development might illuminate his rather adamant pursuit of the project in the form he envisioned.

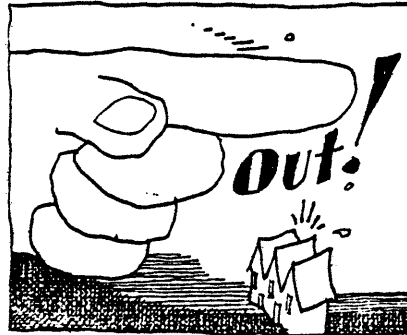
Zeckendorf's reshaping of central cities could only be achieved by what he referred to as "a change in its human chemistry." "The best way to achieve this result," he wrote, "is through new and better land uses." ⁶ This was accomplished through the creation of "increment;" that is, the leverage of land values upward through a strategic change in use. Achieving this might involve many things, but Zeckendorf maintains that to "design and rebuild our communities, we must do it on a broad, bold scale ... We must have big, brilliant planning ..." ⁷

He illustrated this principle of value increment through his United Nations project in New York. "It is one of those cases of one and one being worth three," he pointed out. ⁸ There was the problem of area for example. A consolidated large site was more "valuable" than individual ones "because it has more functional use." There was also value created by having important features adjoining a site. In the UN project, Webb and Knapp created a 320-foot-wide mall because "anything that fronted the beautiful, monumental approach had to be more valuable than anything on a conventional 60-foot-wide street." ⁹ To prove his point, he noted that "the difference between land on Fifth

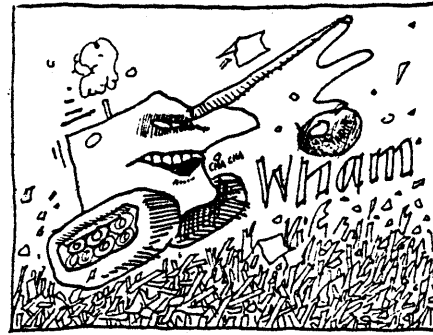
How to make a city Beautiful.



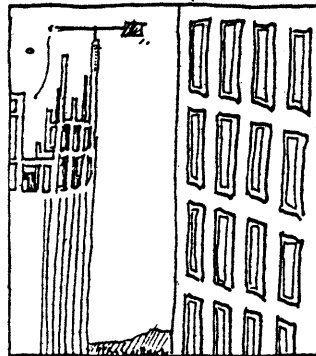
FIRST, TAKE AN ORDINARY UGLY AREA, WITH ORDINARY, UGLY, SMALL BUILDINGS AND HOUSES, AND UGLY OPEN SPACE AND UGLY TREES



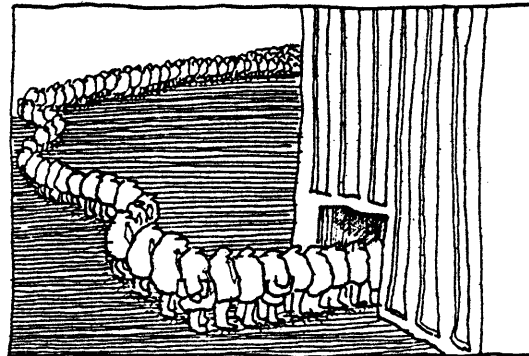
AND MAKE EVERYBODY MOVE OUT



AND CLEAR THE AREA



AND BUILD A COUPLE OF TALL BUILDINGS

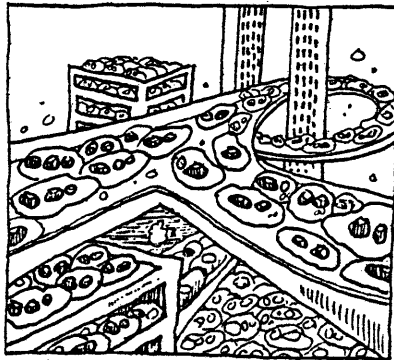


AND FILL THEM UP WITH PEOPLE FOR A FEW HOURS EACH DAY, MONDAY THROUGH FRIDAY

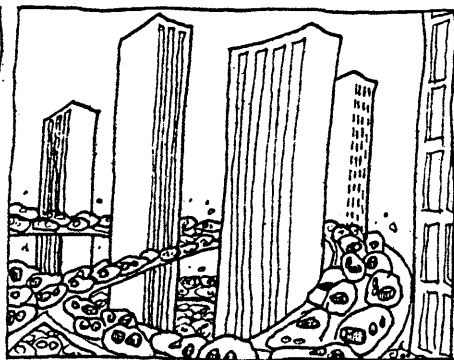
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An alternative view of the process of "increment"

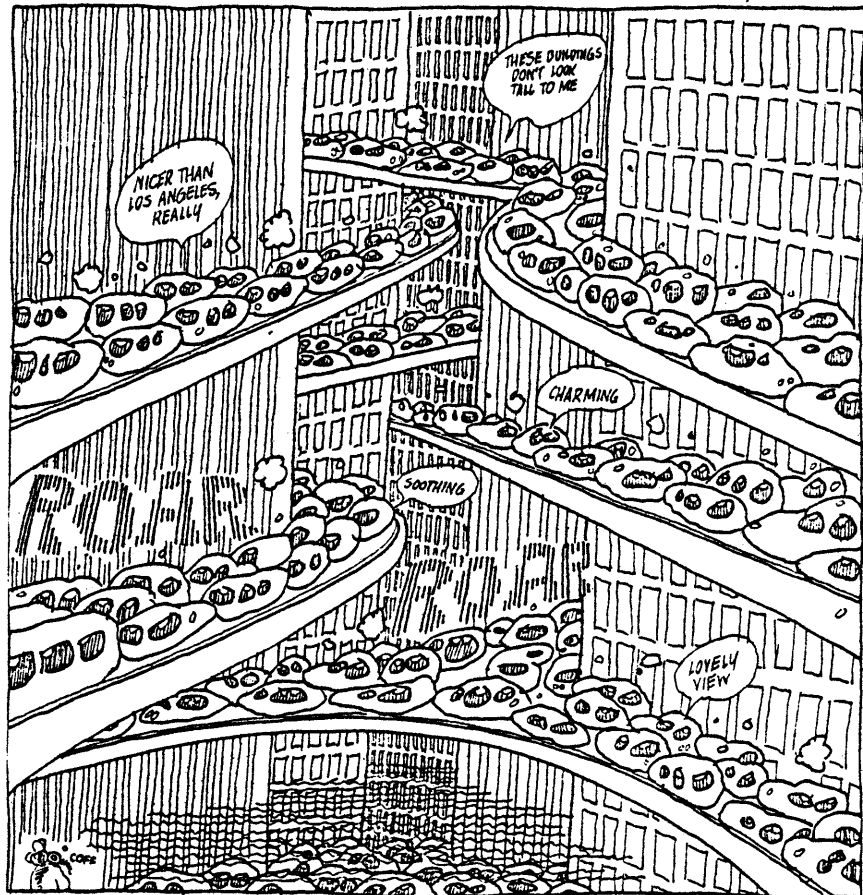
creation: source: The Ultimate Highrise, edited by Bruce Burgmann and Greggar Sletteland.



WHICH MEANS A FREEWAY TO
BRING THE PEOPLE INTO THE CITY



AND THEN BUILD MORE TALL BUILDINGS
(AND A FEW MORE FREEWAYS)



AND BEFORE YOU KNOW IT, YOU HAVE A PERFECTLY Beautiful CITY!

Avenue ... and the value of land just east of it on the side streets is the difference between \$20 a foot and \$100 a foot." Another generator of value, he continued, is a strong relationship to some "composite whole" and not "a heterogeneous mass of fluid junk ..."¹⁰

"Big, bold planning" over large areas of land was the important generator of value, and this condition was not always possible in large cities with relatively fine-grain patterns of ownership. Zeckendorf therefore strongly supported the "condemnation" powers of city governments, the large scale zoning activities of their planning departments, and the city programs of providing amenities and infrastructure to aid in the process of redevelopment. But this particularly must be done, he argues, so that increment can be created.

"If the city ... decides it is going to build a park, it should condemn an area around the park and should realize on the increased value of the land around the park through the resale to private developers."¹¹

He particularly underlined the virtues of land assembly. The city should pursue this course because value was created "from the greater functional utility of larger areas."¹²

The "greater functional utility" to which he refers, of course, consists of those uses most likely to generate revenue: office space as a secure and long-term income stream, and retail and commercial space as a high revenue producing adjunct.

* * * *

The major theme that has emerged has been the process of change and its relation to value. The conclusion about the source of that change is the power and influence of economic factors. Place Ville Marie is one building. Its construction stimulated the building of three separate and neighboring projects. The financing arrangements generated many effects including buildings as far away as British Columbia intended as sources of capital for Place Ville Marie's sinking fund. The flow of capital for the project reached far beyond local interests and national boundaries to the few who control world-wide financial and production empires. There were benefits, and some less positive tendencies (particularly in subsequent development). This was a spontaneous and private sector change. There was first a pronounced lack of any public policy to deal with the situation; followed by public policy intended to expand the model of Place Ville Marie throughout the central business district. There was also a long standing ethnic, linguistic, and class distinction influencing the form and application of that policy. Most conspicuously of all, this change in Montreal has been the reorganization of a city around the profitable expansion of investment capital.

NOTES: Chapter Four

1. Rowan, Jan C., "The Story of Place Ville Marie," Progressive Architecture, Vol. 41, No. 2, February 1960, p. 124.
2. I offer this assessment based on my personal experience in corporate office design. The entire layout proceeds from the requirement once the cleavage of certain functional adjacencies. Thus, the cleavage between functional units is determined; it makes little difference whether they are next to each other or on one floor (or in one quadrant to another) or one floor above or below.
3. Zeckendorf, William, Sr., "Place Ville Marie," Architectural Forum, February 1963, p. 84.
4. Montreal Development Project, Canadian Pacific Limited -- Corporate Engineering Services, Douglas Farrell, 1975.
5. Zeckendorf, William, Sr., Zeckendorf, New York: Holt, Reinhart, and Winston, 1970, p. 181.
6. *ibid.*, p. 202.
7. Zeckendorf, William, Transcript of Address given at Kresge Auditorium May 17, 1956, p. 7.
8. *ibid.*
9. *ibid.*, p. 6.
10. *ibid.*
11. Zeckendorf, William, Sr., "Cities Versus Suburbs -- A Struggle for Survival," Atlantic Monthly, July 1952, p. 28.
12. *ibid.*
The sort of development Zeckendorf pursued was increasingly resisted in the United States as a result of the "condemnation" rights of cities being directed at neighborhood after neighborhood. Grass-roots resistance mounted, and an ethic of conservation and revitalization emerged. In the fall of 1972, he came to Montreal to speak at McGill University on the invitation of the school of Architecture. At dinner with a number of students and a well-known architect by the name of Fred Lebensold, Zeckendorf intimated his intention to announce that night McGill University and the University of Montreal should jointly take up residence on the islands of the Montreal exposition of 1967. That way, huge tracts of land would be freed for redevelopment on

both sides of the mountain. The students were silently unbelieving, and Lebensold chuckled.

"Oh come now Bill, surely you can't be serious," he said.

Zeckendorf dropped the subject immediately. He also forgot the subject at his lecture; speaking instead of the great service the architectural profession might pay to urban history by taking heed of Buckminster Fuller's accomplishments and theories, and build an enclosing dome over the entire city. He encouraged the audience to think of the possibilities of entirely climate controlled environments.

For those of us who attended that dinner, there was a sense of a man who was living in the glories of his past. His theory was still valid, but his style was not.

APPENDIX A:

THE GENERALIZATION TO THEORY: NOTES ON CONTENT AND PROBLEMS

My original intention was to develop some notion of how the conclusions of the case study contribute to a general theory of urban form. Aside from articulating the objective of a theory, the pursuit revealed numerous problems (some of which I include here) that will be the object of further work.

The Content of Theory:

A theoretical framework should incorporate (or allow the incorporation) of nuances and contradictions that reflect the complexity of the contexts of activity and process of realization. Here in change of the type I have documented, some of this complexity is evidenced in the form and location of a building. There is, however, a great deal more that is less readily discernible: the processes of design; their intentions; the assembly of capital; the secondary impacts of financing; and the social relations of people and institutions that ultimately inhabit a project. Indeed the focus of study could be expanded to encompass a description and analysis of social systems. There is, from this point of view, validity to the assertion that the form and content of a building "contain" the

structure of a city and a society as much as the city contains the building. This broader and dialectical formulation, one hopes, looks beyond surface occurrences to what more fundamentally shapes the outcomes we observe.

There is an extensive array of theories attempting to understand the fundamental forces shaping the city. Although a thorough review of these theories and an evaluation of their merits and deficiencies is beyond this summary, there are one or two that have particular bearing upon the factors we observed to be important to this case.

The economic theories of city formation, for example, deal with the effects of money transactions, production costs, transportation costs, and agglomeration economies and diseconomies on the form of the city. More generally, they isolate these important economic components concentrating upon a "total spatial array of economic activities with attention paid to geographic variations in prices and costs."¹ These may involve industrial concentration, or merchantile activities, for example. The final patterns are the result of equilibria in the system as a whole. Any changes that occur are viewed to take place through the shifting of the equilibrium to a new and optional point.

These theories are descriptive and explanatory. Yet their descriptions are themselves misleading. The basic paradigm of equilibrium is arguable, and the permit of an analysis based upon this viewpoint necessarily involves assumptions about human behavior and interaction (the "economic man," for example). The analyses are also a-historical, static formulations--a result of the equilibrium that is assumed. These assumptions are at

least inaccurate and at most wholly erroneous.

The most elegantly formulated of these economic theories is that dealing with the specific pattern of rents in an urban location. It argues that the pattern is the logical result of competitive bidding for a scarce resource (urban land parcels). It has been useful in explaining some of what we observe, yet it too is based upon the kinds of assumptions mentioned above. The theory is purely explanatory, but it has been used to inform policy decision with respect to land-use and zoning. It is clear that much of the complexity of the situation is assumed away, and we have seen from the case that subtle complexities very much condition the outcome. The ever-present danger is the misdirection of longer range efforts, or the playing down of political or social factors that might just turn out to be more important to the outcome than what the parameters of these theories consider important.

We therefore ask an alternative general formulation to do a great deal indeed; to explain the actions of different actors with different interests in different situations. It must also be capable of accepting more fundamental changes in social structure or behavior through time. What might have been true yesterday might be in doubt today, and untrue tomorrow. Although this more general statement itself will be normative, it must be able to account for shifts in values -- continuing to explain and inform. Its basis must be clear and fundamental, unravelling purposes and paths, and their relationships to outcomes.

The central theme of the case was the relationship of a change in use to the accentuation of land values upon which a developer makes money. The intention of the generalization was to explore this relationship. The tools for this exploration was the concept of use-value and exchange-value, their relationship to one another, and ultimately the mode of production which exerts pressure upon social relations in a market economy to realize exchange-value above other more utility-rooted concerns. Admittedly, there is a good deal that needs definition here. The intention of an alternative theory, however, proceeds from the realization that earlier theories of urban form and formation (particularly those outlined above) assume the economic system to be a means through which outcomes are achieved in a rational and connected series of priorities, costs and benefits. This search begins by acknowledging the economy to be an end in itself to which a great deal becomes subservient.

The focus for this critique lies in the nature of exchange-value. Yet that focus cannot assume a deterministic intent -- that all occurrences can be explained through the pursuit of exchange-value. There is clearly an extremely complex process occurring evidenced, for example, in the change that occurred in Montreal. Exchange-values are imbedded in the uses of a place, its image in peoples' minds, and in its physical and social qualities. The Marxian concept of use-value has proven to be a slippery one in differentiating the socially based "needs" from the influence of exchange-value. The dialectical relationship of these two aspects of

value is an important link, but how that dialectic works is difficult to articulate with clarity.

The next link is the influence of use-values and exchange-values on land. Land is a commodity in a capitalist society, and is therefore subject to the social relations of the market. Again, the differentiation is its functional utility (some notion of socially based "need") from its exchange-value as a commodity. Presumably, this distinction also sets apart the pursuit of exchange-value as a motive, and sets the stage for the argument that the changes in central cities in recent urban history can be coherently linked to the investment needs of a monopoly capitalist economy. It is clear, for example, that the reorganization of Montreal brought about by Zeckendorf's effort was one that mirrored the profitable expansion of investment capital. It is also clear that a similar reorganization was evident in every major city in North America.

The argument concerning the monopoly structure of the economy and its link to the motive of realizing exchange-value proceeds from the tendency of this structure to control (and generate) surplus. Monopoly also allows this surplus to be directed toward investment in various ways. Baron and Sweezy identify two types of investment: endogenous and exogenous. Endogenous investment is that which is necessary through, for example, increases in demand or replacement of worn plant and equipment. Exogenous investment is a portion of surplus actively seeking outlet and expansion independently of these factors.

The increasing quantity of this surplus leads to increasing pressure for expansion in the economic area into which it flows. Real estate figures prominently in this flow. The argument is made, therefore, that the primary motive of exchange-value is reflected in the contemporary form of cities -- a result of this pressure of investment seeking surplus. The argument returns to a concept of "class monopoly rent," the realization of exchange-value for landed property, which is again linked to the use-value/exchange-value relationship.²

This relationship is elusive. Marx argues that the labor expended in making physical substances a use-value to society, making clay into a pot for example, constitutes its value. (Note it follows that use-values exist without containing value in this sense -- air, trees, virgin pasture, etc.) A commodity, then, is a use-value created by the one unit in society for the purposes of realizing exchange-value for another. The objective basis of that exchange, Marx points out, is the value -- the quantity of "socially necessary labor" expended. The critique is that through the social relations of this process, the motives of production has shifted from a previously utilitarian focus.

The value of the Marxian perspective is its relational power. It is not fixed, but dynamic. This is a necessary condition of any theory dealing with the relative and complex nature of urban activity and change. The particular concepts may be problematic. The use-value/exchange-value relationship, for example, is abstract, and I think

somewhat reductionist. The labor theory of value becomes a focus of exploration toward extracting concrete features (or serving to develop them) that can be used to explain the use-value/exchange-value relationship in land, and therefore in space. It is from here that my study will continue ...

NOTES, Appendix A

1. Izard, Walter, Location and Space-Economy, Cambridge, Mass: MIT Press, 1956, p.27.
2. Harvey, David, "Class-Monopoly Rent, Finance Capital, and the Urban Revolution," in The Manipulated City, Stephan Gale and Eric G. Moore, editors, Chicago: Maaroufa Press, 1975, pp. 145-167.

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